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Chernomyrdin Warns U.S. Of Russia's NATO Phobia

Alliance's Expansion East Could Provoke A Nationalist Reaction and Rearmament



Prime Minister Viktor Chernomyrdin making a point during an interview Monday.

By Jim Hoagland and David Hoffman
Washington Post Service

MOSCOW — Prime Minister Viktor Chernomyrdin will warn President Bill Clinton and Vice President Al Gore in Washington this week that the rapid expansion of NATO into Central Europe threatens to undermine the Yeltsin government and will fuel extremist demands in Russia for a return to armed confrontation with the West.

"I'm worried about Russia," the usually low-key, careful Russian leader said in a remarkably intrusive 70-minute interview at the Russian White House on Monday. The West "wants us to explain to our people that there is nothing to fear. How can we explain this? Nobody is going to listen to any explanations," he added. "Developments in Russia could take an ominous turn."

Mr. Chernomyrdin's forceful remarks were clearly intended to advance Russia's negotiating posture, which he hardened by demanding that the North Atlantic Treaty Organization sign with Russia "a binding treaty, with verification," that would commit the alliance to transforming itself from a military body into "a political organization" that would not treat Russia as its main threat and enemy.

These positions have already been ruled out by the 16-member alliance, which is expected at its July summit meeting in Madrid to invite Poland, Hungary and the Czech Republic to become members two years from now.

But Mr. Chernomyrdin's expressions of alarm, delivered against the backdrop of President Boris Yeltsin's continuing ill health and intense political maneuvering in Moscow, also seemed to reflect a genuine concern that Washington and other Western capitals had not grasped the potential damage he said the NATO debate could do to the already weakened Russian government.

Mr. Chernomyrdin, who normally sees Mr. Gore twice a year for narrowly focused sessions on trade, investment and science, portrayed the U.S.-Russian relationship as nearing a significant turning point. He suggested that failure to resolve the NATO expansion issue by the time Mr. Clinton and Mr. Yeltsin are scheduled to

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WARSAW RITE — Defense Ministers Volker Ruehe of Germany, right, Stanislaw Dobrzanski of Poland, center, and Charles Millon of France, in Warsaw for trilateral discussions, attending a ceremony Monday at the Tomb of the Unknown Soldier.

The Price Is Right in Japan

Economy Stalls, but Everyday Costs Are Far Down

By Mary Jordan
Washington Post Service

TOKYO — The Japanese stock market and the yen are at their lowest points in years. The national railway system is so far in debt it would cost every person in the country \$2,000 to bail it out. Banks are going bankrupt, and land prices have crashed as much as 50 percent.

So why is Toshio Someya, a homemaker, so happy?

Because you can almost hear the sound of consumer prices falling all over the country. Discounts and sales are now the norm in a land where shopkeepers a few years ago found they could make clothes and cars more attractive by increasing their prices.

Mrs. Someya's favorite place to shop these days is Kou's, Tokyo's first warehouse-style discount wholesaler. Kou's, similar to the bulk-buy stores that fill the pantries of suburban

America, has become one of the busiest stores in the world almost overnight, drawing 40,000 customers on a good day.

"Lower prices are the way of the future; people are demanding it," said Hideo Mase, the manager at Kou's, where those who pay the equivalent of a \$25 membership fee can buy a box of cornflakes for only \$2 — less than half the grocery-store price — or a washing machine for \$500, about 30 percent off the retail price.

Japan is widely portrayed these days as down and out, an Asian tiger that lost its roar when the go-go days of the 1980s faded into leaner times. But for Mrs. Someya and millions of other Japanese, daily life is actually better now that the boom years appear to be over.

"When the economy was sky-high, so were prices," said Mrs. Someya, 52. "I like to go out to eat, and restaurants are lower now. Only in

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Struggle Opens For President And Congress

Budget and State of Union To Define 2d Clinton Term

By Alison Mitchell
New York Times Service

WASHINGTON — After months of invoking bipartisanship, President Bill Clinton finally presents his legislative agenda and his budget this week, beginning the long struggle that will determine whether the Republican-controlled Congress and the Democratic president can really enter a season of cooperation.

Mr. Clinton starts off this debate in a stronger position than in years, given new legitimacy by his re-election and the highest public approval ratings of his presidency.

Republicans are no longer pronouncing his proposals dead on arrival, though that is in part because Mr. Clinton has moved so far in their direction since the Republicans won control of Congress in 1994.

He has used two recent speeches — an appearance before the centrist Democratic Leadership Council and his inaugural address — to give ideological coherence to the small-scale campaign proposals that positioned him in the political center. He has said he advocates a government "humble enough not to solve all our problems for us but strong enough to give us the tools to solve our problems for ourselves."

Now, his aides say, he will demonstrate what he means through concrete programs.

White House officials say the president will seize the moment in his State of the Union Address on Tuesday night by first calling on Congress and the nation to complete the "unfinished business" of balancing the budget, finding jobs for welfare recipients and overhauling campaign finance laws. To give urgency to the campaign finance issue, he is expected to call for action by July 4.

As he has increasingly since the Republicans won control of Congress, Mr. Clinton will not just urge legislative action but will also call for individuals, communities and states to take steps on their own to grapple with the nation's social ills.

Returning to the family-centered themes of his campaign, Mr. Clinton plans to make education a cornerstone of his agenda for the next four years.

He is expected to call for schools across the country to test whether their students are performing up to nationally recognized standards and to explain how the federal government can help create the climate for such rigor.

Mr. Clinton also plans to tackle the issue of health insurance once again, this time with a series of initiatives intended to help the 10 million American children who lack coverage.

Many of the other proposals that the president is expected to flesh out will be aimed at helping the poor. He plans to offer \$3.4 billion in grants and tax relief to stimulate job creation for those who will be forced off welfare under stringent new time limits; proposals for tax credits and tax deductions to help pay for a college education.

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U.S. Has Big Stake in Hong Kong's Future

By Keith B. Richburg
Washington Post Service

HONG KONG — The outdoor picnic on the old colonial veranda was billed as "The Great American Barbecue," and the theme was 1970s disco fever. But far more on display than the oldies and the bell-bottom jeans was the array of American food and beverages — chicken and steaks cooking on smoky grills, potatoes and corn on the cob, Napa Valley wine, Sam Adams lager and Miller Lite beer.

The event last month was meant to showcase American agricultural products, and the 200 guests included restaurateurs, chefs and major food buyers. Among the many sponsors were the U.S. Meat Export Federation, the Poultry and

Egg Export Council, California's pistachio growers and Florida orange-juice makers.

The mood was festive, as at any big, American, backyard cookout. But the successful yearly event and the long list of sponsors point out how for the U.S. agriculture industry — just as for U.S. banks, insurance companies, brokerage houses and advertising firms — little Hong Kong is big business.

The Commerce Department estimates that total direct U.S. investment in Hong Kong is about \$13.8 billion. This is America's 13th-largest trading partner, and at the end of 1995 the United States had a \$6.9 billion trade surplus with the territory.

American banks here have assets of more than \$50 billion, and about 500 U.S. companies have

regional headquarters here. Overall, 1,100 American companies have operations in Hong Kong, nine U.S. states have representative offices and more than 80 American universities have alumni associations.

This may be the United Kingdom's last imperial outpost in Asia, but U.S. expatriates in Hong Kong now outnumber the British, with 37,000 Americans compared with 27,000 Britons. Take away the British civil servants and policemen, and the construction workers on the new airport project, and the British numbers shrink even further.

The huge investment of American capital and people means that over the next months and

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BELGRADE CHARGE — Policemen running to outmaneuver demonstrators in central Belgrade on Monday during the 76th straight day of protests. Dozens of people were injured in clashes with policemen on Sunday and Monday. Page 5.

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An Unnoticed Tragedy in the Pacific

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The Wide Open White House Doors

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AGENDA

Tapie Imprisoned One Night at Least

PARIS (AFP) — Bernard Tapie surrendered Monday to pass his first night behind bars as he prepared to face a court ruling that could jail him for eight months for rigging a soccer match.

The European Parliament deputy, who has been stripped of his seat as a French member of Parliament but has so far avoided jail, turned himself in at La Sante prison in Paris before the hearing of his appeal Tuesday by France's highest court.

Earlier article, Page 5.

2d Bid for Thomson Starts Musical Chairs in France

Alcatel Alsthom opened a round of musical chairs in French industry Monday when the electronics giant, with two aerospace companies, launched a new bid for a major stake in the state-owned defense contractor Thomson-CSF.

To raise cash for the bid, Alcatel plans to sell part of its Havas SA stake to Compagnie Generale des Eaux, which in turn would give Havas its 20 percent stake in Canal Plus SA, making the media conglomerate owner of 40 percent of Europe's biggest pay-TV service. Page 11.

North Korea Plans to Turn Its Economy Toward West

Trade Chief Cites Hunger And Collapse of 'Socialist Market' as Cause of Shift

By Jonathan Gage
International Herald Tribune

DAVOS, Switzerland — Acknowledging that much of his country is hungry and on rations, North Korea's foreign trade chief said Monday that Pyongyang was reorienting its economic policy "so that we can develop close links with the capitalist economy."

The official, Kim Jong U, said in an interview that "since the socialist market has collapsed," North Korea must change with the times to win hard-currency reserves by luring foreign investment.

"The food situation in our country is difficult," Mr. Kim said through an interpreter, "but no one has died."

He said that "our people are not eating as much as before, and are living on rations."

His comments coincided with a North Korean report Monday that the country had only half the grain it needed to feed its people, according to a Reuters dispatch from Tokyo.

And last week, the International Federation of Red Cross and Red Crescent Societies said that food rations in North Korea had dropped to a level four times lower than normally considered essential for a healthy population.

"Our leader, Kim Jong Il, says that it is logical that everything should be in keeping with change," the foreign trade chief said. "When the world changes, we change our policies."

For North Korea, one of the world's last hard-line Marxist countries, this change will mean "giving first priority to trade, concentrating everything on trade," Kim Jong U said, as well as switching the country's industrial priorities from heavy to light industry. "Our lack of foreign currency is just a temporary difficulty," he said.

North Korea has set up a special economic zone in an isolated northeast corner of the country near the Russian and Chinese borders, called the Rajin-Sonbong Free Economic Trade Zone, to which it is trying to lure foreign capital with a two-year tax "holiday" and what Mr. Kim called "a good tax rate" of 14 percent on net profit after that.

In two years, he said, North Korea has received investments in the economic zone totaling \$100 million from companies that include ING Bank of the Netherlands, Royal/Dutch Shell of Britain, and from some companies in Thailand, Denmark and Nigeria.

Mr. Kim said that participating in meetings in Davos among some of the world's business and financial elite at the annual conference of the World Economic Forum had convinced him that Pyongyang's policy change was "correct" and "that we can develop close links with the capitalist economy, the world economy."

He denied that this meant that the Democratic People's Republic of Korea was making a transition to capitalism like other countries formerly behind the Iron Curtain.

"The socialist system has been chosen by our

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Forget Potentates: In Davos, Gates Is the Real Star

By Anne Swardson
Washington Post Service

DAVOS, Switzerland — If the god of Davos is Mammon, the demigod this year is Bill Gates.

The chairman of Microsoft Corp. is easily the most sought-after star at this annual Alpine summit of the world's corporate and governmental elite.

Forget Prime Minister Benjamin Netanyahu of Israel, forget the Russian prime minister, Viktor Chernomyrdin. When Mr. Gates, 41, led a session Monday evening, the huge auditorium was filled to capacity and people were turned away. When he held a news conference, the seats were filled 15 minutes before it began, and reporters were spilling out the door. His book, "The Road Ahead," is one of the top sellers at the bookstore here, even though it was first published in 1995.

It is not just that the attendees at this year's World Economic Forum want to hear what Mr. Gates has to say about Microsoft Office 97 or other software programs. Here in Europe, where unemployment is high and innovation rare, Mr. Gates is perceived as someone who has all the answers. If Europe is economically troubled and European business stagnating, Bill Gates may be able to save it, or at least that is how the thinking apparently goes.

In a recent interview with the International Herald Tribune, Jean-Claude Triche, the head of the French central bank, said: "We need more Steve Jobs, more Bill Gates in Europe," referring also to the founder of Apple Computer. In naming Mr. Gates one of 50 "masters of the world," a French magazine, Le Nouvel Observateur, enthused over his "eternal adolescent allure."

Here in Davos, Mr. Netanyahu marveled at the speed at which Mr. Gates had become a billionaire, and said he hoped Israel could produce such heady expansion. On the rare occasions when Mr. Gates could be spotted in the public areas of this labyrinthine convention hall, he was accompanied by television cameras and photographers.

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Bhutto Losing; Big Victor Is Apathy

By Kenneth J. Cooper
Washington Post Service

ISLAMABAD, Pakistan — Mian Nawaz Sharif, forced out as the prime minister of Pakistan in 1993 because of economic mismanagement and alleged corruption, was poised Monday to return to office after an election marred by a record low turnout.

Preliminary results showed Mr. Sharif's Pakistan Muslim League dominating national races for the 217 seats in Parliament, ahead of the Pakistan People's Party of the former prime minister, Benazir Bhutto. The vote was ordered after President Farooq Leghari dismissed

Miss Bhutto's government in November, alleging corruption and abuse of power.

Analysts predicted that the final count would leave the Muslim League as the largest party in Parliament and that Mr. Sharif, 47, could muster the majority to form the next government with support from regional parties and independents. In addition, the winners of 10 seats reserved for religious minorities have traditionally backed the largest party.

Results announced at polling stations but not made official by the national election commission showed the

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Newsstand Prices	
Bahian	1,000 Din
Cajun	2.100
Deutch	14.000 D.M.
Fifend	12.000 F.M.
Gibraltar	2.085
Great Britain	2.090
Jordan	1,250 JD
Korea	84.160
Kuwait	600 Fils
Mexico	1,000 Din
Nigeria	125.000 Naira
Oman	1,250 Rials
Qatar	10.000 Rials
Romania	10.000 R
Saudi Arabia	10.000 R
Switzerland	10.000 F
Taiwan	10.000 N.T.D.
U.S. M.L. (Eur.)	1.20
Zimbabwe	20.500.00

The Dollar	
New York	Monday close
D.M.	1.8405
Pound	1.62
Yen	121.725
FF	5.549
The Dow	
Monday close	6906.16
change	-8.95
S&P 500	
Monday close	788.73
change	+0.57

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Cyanide and Explosives / 'A Tragedy Largely Unnoticed'

Appetite for Fish Turning Asian Coral Reefs Into a Wasteland

By Michael Richardson
International Herald Tribune

JAKARTA — The Mentawai Islands along the southern coast of Sumatra in Indonesia are a picture of tropical paradise: countless remote atolls fringed by white sand beaches and coconut palms.

But below the surface of the crystal-clear azure waters, on the coral reefs that skirt the islands, it is another story. Jeroen Deknatel, director of operations at Fantasea Divers based on Phuket Island in Thailand, was so impressed at the tourist and recreational diving potential of the Mentawais that he took his live-aboard dive ship down to the area 18 months ago and organized two cruises for divers.

Two years earlier, scientists from the Bung Hatta University in Padang, the main port city in the region, had visited the Mentawais and found pristine coral reefs teeming with fish.

Yet on its two cruises, covering more than 1,280 kilometers (800 miles) and 65 dive sites throughout the chain of islands, the Fantasea found that most of the reefs were completely destroyed.

"It was an underwater wasteland," Mr. Deknatel recalled. "Hundreds of miles of reefs had been totally obliterated. With a few notable exceptions, marine life was nonexistent."

Disappointed divers on the ship suggested names like Dresden, Hiroshima and Ground Zero for some of the sites. Mr. Deknatel said that possible causes of the destruction included dynamite and cyanide fishing, infestation by the coral-eating crown of thorns starfish and sediment runoff due to logging on some islands.

But the prime suspect was the use of explosives and sodium cyanide poison to kill or stun reef fish so that they could be caught quickly in large quantities.

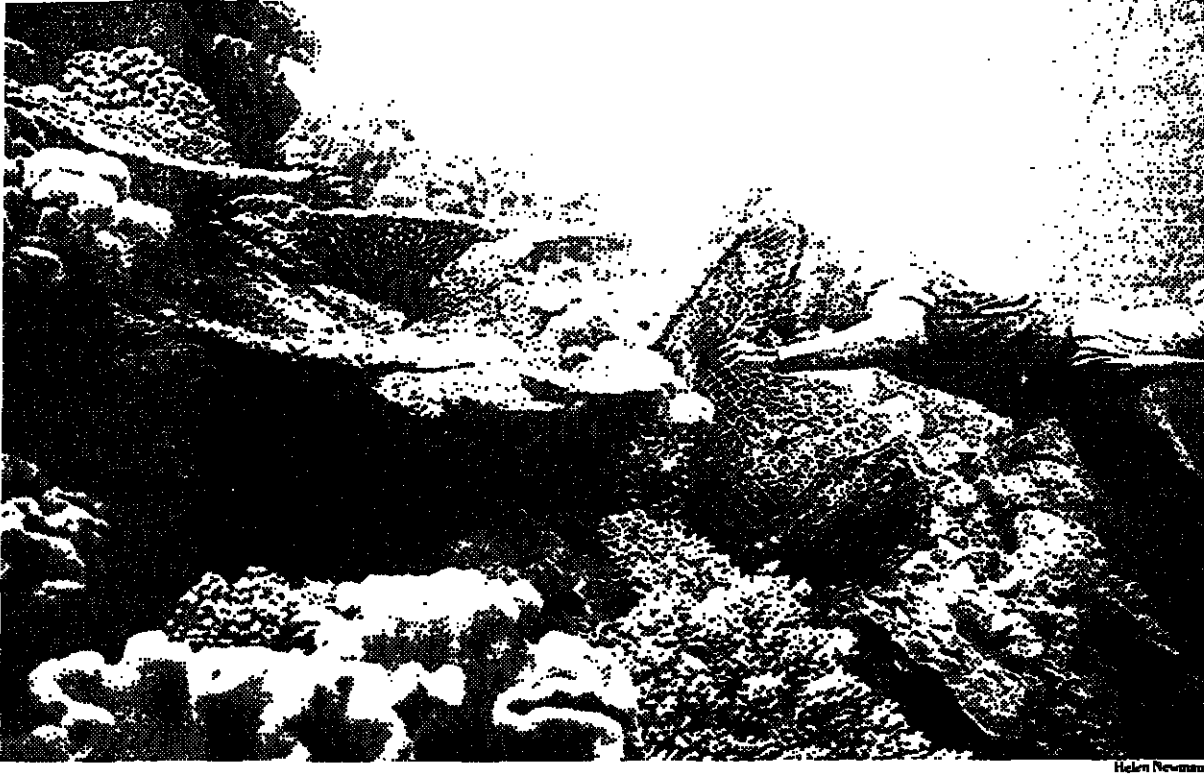
"Several large factory fishing boats from countries outside Indonesia are suspected of using dynamite and cyanide to decimate the reefs," Mr. Deknatel reported at the time. "Such boats have been observed in the area, but it was not possible to determine their country of origin."

Although now illegal in most Southeast Asian countries, use of explosives for fishing in the region dates back to World War II, when surplus ammunition became widely available. Application of liquid cyanide, mainly by divers using plastic squirt bottles, to stun large fish such as wrasse, grouper and cod so that they can be pried from holes and crevices in reefs, is a more recent innovation.

Such fish, when shipped live to Chinese seafood restaurants — in Hong Kong, China, Taiwan, Singapore and other countries in an increasingly affluent region — command prices many times higher than the same fish chilled, frozen or even farmed.

For example, a single Napoleon wrasse smuggled out of Indonesia, where its export has been illegal since 1995, can sell to eager seafood customers for over \$5,000, including up to \$245 for the lips alone, which are prized as a particular delicacy.

Robert Johannes, an American coral-reef ecologist based in Australia, estimates that the annual volume of reef fish



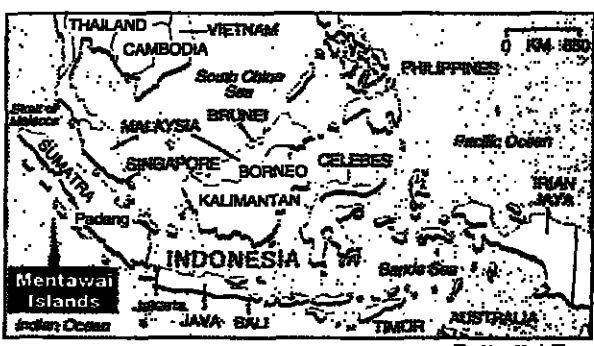
A diver pumping cyanide into a reef to kill or stun fish so that they can be caught quickly.

caught live in Southeast Asia and the Western Pacific and sold to seafood restaurants in the region is between 11,000 tons and 16,000 tons, worth at least several hundred million dollars.

"The fisheries that supply this market are creating a vast and expanding ecological tragedy that has gone largely unnoticed outside the region," he said. "The use of cyanide to catch live reef fish is most intensive in Indonesia and the Philippines. By unfortunate coincidence, these are the two countries whose waters also hold the world's greatest marine biological diversity."

LARGE fish destined for the restaurant trade are generally able to pass cyanide poison out of their systems when put in holding pens before shipment. The trouble is that while explosives damage sections of a reef, cyanide kills the smaller fish as well as the living coral, algae and invertebrates on which the fish population depends for survival.

"When a reef is destroyed by cyanide, a whole generation of local fishermen and villagers is being deprived of its main livelihood," said Rainer Sigel, publisher of Asian



Diver in Singapore. "The food chain is destroyed from the bottom up, and that means it will take much longer to regenerate."

A survey by the Indonesian Institute of Sciences has estimated that 58 percent of Indonesia's coral reefs had been heavily damaged and 35 percent partly damaged, largely because of human activity.

Because the reefs provide vital shelter and breeding grounds for fish, and many of the poorest communities among Indonesia's population of 200 million depend heavily on fish for protein, the economic and social consequences of wholesale reef destruction could be devastating.

President Suharto recently appointed a number of his most senior officials, including the defense minister and the chief of armed forces, to a newly formed national maritime council.

Its main task is help protect the seas and reefs of Indonesia — a country comprising more than 17,000 islands.

"As the largest archipelagic state in the world, Indonesia's marine potential has not been fully utilized by its owners but exploited by others who have left only seven percent of our coral reefs in good condition," said Sarwono Kusumaatmadja, the environment minister. Scientists say that hundreds of tons of cyanide are being pumped each year into coral reefs in Indonesia and elsewhere in Southeast Asia.

BUT since Indonesia is so large and the trade in live reef fish so valuable, it is difficult to enforce the laws intended to control it. Local officials are either paid by organizers or middlemen to look the other way, or may even be partners in the business.

Mark Erdmann, who spent two years studying the trade in Ujung Pandang on Sulawesi Island, one of the main collection points for live fish exports, said that in Indonesia, it was only illegal to use cyanide for capturing fish.

"Possession of cyanide on fishing vessels is permitted for 'tranquilizing' purposes," he said. "Legal loopholes such as this make enforcement virtually impossible."

Many of the cyanide divers come from poor communities in Indonesia. Mr. Erdmann estimated that those involved in the live trade were paid from \$150 to \$500 a month — as much as 10 times the average monthly salary of conventional fishermen and three times that of a university lecturer.

He said that there was a real danger the trade in its present form could cause "local over-exploitation, if not local extinction" of reef fish stocks in Indonesia.

Most experts say they believe that if the trade is to be effectively controlled, more marine parks must be established and local communities given a stake in their management and in the ownership and maintenance of traditional reef fishing grounds outside such protected areas.

"The live seafood business can be done on a sustainable basis using hand-lines or fish traps," said Helen Newman, a marine biologist who works closely with Operation Wallacea, an Indonesian organization dedicated to protecting coral reefs off southeast Sulawesi. "But without the support of local people, you've got no hope."

Mr. Johannes said that security of tenure provided an essential incentive for conservation of reef fishing grounds.

"To be more effective, however," he added, "local reef owners need government help in the form of supporting legislation education, assistance with enforcement, and legal agreements between reef owners and fishing companies."

A Street Reopens in Hebron

But Bustle of Yesteryear Seems Far Down the Road

By Joel Greenberg
New York Times Service

HEBRON, West Bank — At about 8:00 Monday morning and after three years of waiting, Abdallah Uweini went with his partners to try to reopen The People's Taxi stand on Martyrs Street in downtown Hebron.

Their last day of business there was Feb. 26, 1994, when Dr. Baruch Goldstein, a Jewish settler, gunned down 29 Muslims who were praying at the Tomb of the Patriarchs shrine down the road.

After the killings, the Israeli Army closed Martyrs Street to Palestinian motorists to prevent revenge attacks on Jewish enclaves there.

The once-bustling thoroughfare has been largely deserted since, except for a trickle of pedestrians who have braved Israeli Army checkpoints scattered along the road to protect the Jewish compounds.

Shops, a gas station and taxi stands have been closed, and Arab drivers have been forced to make lengthy detours around the street to get from one side of town to the other.

On Monday, life was supposed to start going back to normal on Martyrs Street, which lies in an area still controlled by Israeli forces after a withdrawal from most of Hebron last month.

Under the Israeli-Palestinian agreement on Hebron signed Jan. 15, the army is supposed to re-

open the street gradually, restoring traffic to normal in four months.

A renovation project financed by the U.S. government is supposed to transform the road, providing a security wall and parking area near the Jewish enclaves, as well as sidewalks, sandblasted and repainted Arab storefronts and residences — all set off with awnings, cast-iron railings and plants.

But that seemed a long way off on Monday.

The army declared part of Martyrs Street open to taxis and municipal vehicles as a first step in reopening the road, but only a handful of cars passed through.

When Mr. Uweini and his partners arrived with their cabs to reopen their taxi stand, an Israeli officer told them to move their cars away and to close the office. An army spokesman explained later that the road was only open to through traffic for now.

"They announced one thing on radio and TV, but the reality is different," said Mr. Uweini after he was turned away. "In fact, nothing has changed. But this is our street, despite the settlements and the military restrictions. We will stay here, die here and be buried here," he added, looking toward a sprawling cemetery on the other side of the road.

Mosques Sprout in Britain

Agence France-Press

LONDON — As many as 100 mosques will be built in Britain by the end of the century at a cost of \$1 million to \$3 million (\$1.6 million to \$4.8 million) each, it was reported Monday.

The Daily Telegraph newspaper, quoting architectural sources involved in the projects, said they would be paid for primarily through individual donations

from Britain's million-strong Muslim community.

In addition, major refurbishment is planned on 160 existing mosques, the paper said.

Britain already has some 1,000 mosques, but most are in converted warehouses, churches or community centers. The new ones, said the sources, will be built in classic Islamic design, with central dome and minarets.

7 More Algerians Are Killed, Putting Weekend Toll at 38

Reuters

PARIS — Algerian security forces said that seven people had been assassinated over the weekend in Blida Province, a stronghold of Muslim fundamentalists, bringing to 38 the number reported killed since Friday in Algeria.

In a statement, Algerian security officials said the seven were "assassinated in a cowardly way" — their usual term for those killed by having their throats cut.

The statement, carried by the official Algerian news agency APS, did not identify the killers.

On Sunday, the Algerian newspaper Watan said that 31 people were killed, also in Blida province, on Friday night.

That massacre was confirmed by a source close to the security forces, who said the 31 were believed to belong to five families all related to a dissident member of the Armed Islamic Group, which has stepped up its campaign of violence during the current month of Ramadan.

TRAVEL UPDATE

French Rail Strike Set Wednesday

PARIS (AFP) — French train services are expected to be disrupted Wednesday by a strike called to protest reorganization of the state-run SNCF rail company, it said Monday.

Mainline service could be cut by up to half in most areas, while high-speed TGV trains on the Paris-Lille and Paris-Bordeaux routes will be reduced by a third. In Paris, trains into and out of the Saint-Lazare and Montparnasse stations will be reduced, but all other trains are expected to run.

Services to the east of the country, in particular to the Alps, will be maintained. With the school vacation period under way, many of the French will be headed to the ski slopes.

British Air Adds Flights at Gatwick

LONDON (Bloomberg) — British Airways said it would open new routes to Glasgow, Barcelona and Lisbon from London's Gatwick airport and shift two routes to Gatwick from Heathrow airport on March 30. Service from London to St. Petersburg, five days a week, and a twice-daily service to Pisa will be transferred to Gatwick from Heathrow.

After the changes, British Air will fly 116 routes from Gatwick, 13 more than from Heathrow. The airline transferred east and central African services to Gatwick last year. On March 17, it will move all Latin American services to Gatwick.

An outbreak of dengue fever on the island of Madura, off East Java, has killed at least 24 people, and 355 others have been hospitalized with the disease since November, the Jakarta Post reported, quoting local officials. (AFP)

Czech rail workers seeking to be spared from layoffs will begin a 48-hour strike at midnight Monday, and union leaders said the walkout would be extended daily until a demand to dismiss managers instead was met. (AP)

Correction

Because of a technical error, a photograph of Ernie Ehl, the golfer, appeared in a story about Brenda Schultz McCarty, the tennis player, in the Saturday-Sunday sports pages.



A Palestinian in a UN car having his papers checked Monday by Israeli soldiers monitoring entry to the reopened Martyrs Street in Hebron.

Foreign Aid Agencies Ordered To Get Sierra Leone's Approval

Agence France-Press

FREETOWN, Sierra Leone — The government has ordered all local and foreign aid agencies to obtain official approval before setting up in Sierra Leone.

All nongovernmental organizations will be "required to sign an agreement with the Ministry of Economic Development and Planning which will be approved by the country's attorney general before they can start operations," Vice President Albert Demby said over the weekend.

Noting the "proliferation" of nongovernmental organizations in Sierra Leone, Mr. Demby said there were some aid agencies who were "registering just to receive funds from overseas with government not being aware what the funds were for."

"You have an obligation to government to report these funds," Mr. Demby said, "and also you need to employ qualified Sierra Leoneans for jobs now filled by expatriates."

Eighteen international and 12 local nongovernmental organizations are currently operating in Sierra Leone, particularly in areas in the south and east most affected by a rebel war waged from 1991 until the signing of a peace accord last November.

Meanwhile, about 200 Sierra Leonean refugees were repatriated Monday from neighboring Liberia by the office of the United Nations High Commissioner for Refugees.

The office said the 200 refugees were the most vulnerable of about 1,300 Sierra Leoneans it planned to ferry by air and sea from Monrovia, where many of them had been living for six years.

Plague Kills 30 in Zambia

Reuters

LUSAKA, Zambia — Bubonic plague is suspected in the deaths of 30 people in Zambia in the last month, the Zambia Information Service said Monday.

At least 60 people were being treated at health centers in the Namwala district, the service said, quoting nurses and doctors at the clinics. The Health Ministry in Lusaka confirmed the deaths but said there was no conclusive evidence that the epidemic was bubonic plague.

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

Europe				Asia			
Today	Low	High	Low	Today	Low	High	Low
High	Low	High	Low	High	Low	High	Low
Algeria	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Amman	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Ankara	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Baghdad	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Bangkok	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Beijing	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Bombay	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Buenos Aires	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Calcutta	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Cairo	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Chengdu	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Colon	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Dhaka	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Hankow	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Hong Kong	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Kobe	17/25	8/16	18/21	8/16	32/38	24/75	33/41
London	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Manila	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Medan	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Moscow	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Myanmar	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Nairobi	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Paris	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Rangoon	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Seoul	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Singapore	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Taipei	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Tokyo	17/25	8/16	18/21	8/16	32/38	24/75	33/41
Yokohama	17/25	8/16	18/21	8/16	32/38	24/75	33/41

THE AMERICAS

With Vetting System Ignored, the White House Doors Swung Wide

By Tim Weiner
New York Times Service

WASHINGTON — Ten years ago, the Reagan White House adopted a rule about foreign businessmen, lobbyists and consultants who wanted to get in to see the president without the blessing of their embassies. They shouldn't.

But Bill Clinton's aides did not follow that rule. In their eagerness to raise money for the president's re-election, they allowed friends of his fund-raisers — including China's biggest weapons merchant, favor-seeking businessmen and other dubiously credentialed dealmakers — to meet with Mr. Clinton.

Nor did the White House check the suitability of Americans invited by the Democratic National Committee to meet the president, allowing, for instance, a twice-convicted felon to sip coffee with Mr. Clinton.

A senior administration official now calls the unexamined invitations to foreigners "a huge mistake."

That mistake would not have happened had a system set up in 1987 remained in place after Mr. Clinton took office, according to several present and former White House and National Security Council officials.

When the Iran-contra affair erupted in November 1986, the White House became "a glass house," said an official in the administration of Ronald Reagan. In that fishbowl the National Security Council erected barriers in January 1987 to keep foreign agents away from the president and out of the White House.

After years of being beset by favor seekers from abroad — President Reagan had welcomed a billionaire Japanese war criminal and other questionable visitors during his first six years in office — the president's aides worked "like a hockey goalie," as one put it, to reject foreigners who sought meetings with the president to further their political or business agendas.

The system evolved in the Bush administration, former White House aides said. One said that the White House and the security council

staff all recognized that "this is a common problem — people trying to get in to see the boss — and by getting in to see him, they can represent to others that they got something out of him."

The system was straightforward. The White House chief of staff and the White House counsel's office would notify the security council staff when foreign visitors without introductions from their embassies asked to see the president. The staff would vet the potential visitor, sometimes seeking help from the Central Intelligence Agency.

The questions asked, according to a former Bush administration official, included: "Who is this guy? What does he want? Is this an appropriate meeting?"

In the end, the visitor might win an appointment to see a member of the security council staff — but almost never the president.

"I was like the fish in the tank at a Chinese restaurant," recalled one former security council aide. "I was supposed to absorb all the evil."

Mr. Clinton's top aides did not follow that practice. Sometimes the White House would ask the security council to check out a foreign visitor — more often it would not.

"The NSC staff was dependent on those in the White House to bring these issues to our attention — usually the political staff," said David Johnson, a spokesman for the security council. "I'm unaware of anyone from the White House counsel's office bringing those issues to us."

So the security council staff, according to one of its more prominent members, ceased to function as a screening system to prevent potentially embarrassing visitors. By 1994, a year after Mr. Clinton took office, the gatekeeping system was gone.

A system that once had been rigorous became "ad hoc," an official said. On Jan. 21, on orders from the new chief of staff, Erskine Bowles, the White House began to re-establish the old system.

But a year ago, nobody on the White House political team saw fit, for example, to ask the

security council staff about Wang Jun, who showed up on a guest list for a White House meeting with the president. How did Mr. Wang get into the White House? "Nobody ever asked anybody," a security council official said.

So at the behest of a tireless political fundraiser from Arkansas, Charlie Yeh Lin Trie, Mr. Clinton wound up sipping coffee with Mr. Wang, who runs the Chinese government's weapons-manufacturing and procurement agency, which is involved in secret arms deals around the world.

It was a coup for Mr. Trie to introduce one of the Chinese government's most powerful officials to the president.

On another occasion, an invitation was extended to Carlos Mersan, chief economic adviser to the president of Paraguay, whose economy is in large part based on the smuggling of high-tech goods. He was invited to the White House by Mark Jimenez, a Miami computer executive who has raised three-quarters of a million dollars for Democratic Party campaigns and causes.

Critics Find Much to Fault In Clinton Plan For College Aid

By Rene Sanchez
and Clay Chandler
Washington Post Service

WASHINGTON — It would be a federal gift of staggering proportions: tax breaks, tuition grants and new scholarships, all designed to ease one of the most difficult chores facing many American families — paying for college.

To President Bill Clinton, the \$50 billion package he will send to Congress this week is a centerpiece of his second term, as vital to his legacy in the White House as balancing the federal budget or reforming welfare.

With public alarm over college costs soaring and with the economy producing a wave of jobs that demand better-educated workers, Mr. Clinton is vowing to provide historic new access to higher education, as the GI Bill did after World War II or as the federal student loan program did when it was created in the 1960s.

But as they scrutinize the emerging details of Mr. Clinton's plan, economists, some congressional leaders and even university officials who want more federal aid say they worry that the proposal is fraught with as many risks as rewards.

What Mr. Clinton intends to create, they say, is a huge government entitlement, one whose roots lie more in election-year politics than prudent fiscal policy. It may hardly have the impact he is promising, they add, and may be difficult to manage.

Thomas Kane, a Harvard University economist, said the package would very likely not achieve one of its fundamental goals: increasing college enrollment.

"Most of that money will go to students who would have gone to college anyway," he said. "That's tax relief, not education policy."

The core of the proposal is a tax credit, to be called the Hope scholarship, that would refund up to \$1,500 to families in each of the first two years a child attends college and earns at least a "B" grade average. Alternatively, families could deduct up to \$10,000 from taxable income for each child enrolled in college.

Both breaks would gradually be phased out for higher-income families.

The president is also calling for a 25 percent increase in the size of the federal Pell grants program, which pays the tuition costs of 3.6 million of the neediest college students.

Many college officials, even some who contend the package is flawed, say it could be a landmark in American higher education by making attending two years of college nearly as universal as attending high school. About 60 percent of high school graduates go to college.

"This is a genuinely breakthrough proposal," said Timothy Harle, a vice president for the American Council on Education, which represents more than 1,300 of the nation's colleges and universities. "It could be a huge step forward for American families."

Improving access to college has become a pressing national concern. The gap in earnings between college graduates and workers without a degree is widening, yet the rate at which lower-income families send children to college has remained stubbornly low.

But already in Congress, and on some campuses, there are doubts about key parts of the plan. Some skeptics say it might give colleges incentives to raise costs even more, pressure professors to raise grades of students desperate to qualify for the new aid and force the Internal Revenue Service to collect academic transcripts to make sure tax breaks went only to students with high grades.

Others say they worry that much of the package slings poor families who, because they pay little in taxes, would not benefit substantially from tax breaks on their children's tuition.

The administration tried to blunt such criticism last week by shifting several billion dollars it had been planning to spend on Hope scholarships into Pell grants. The switch would increase the number of students eligible and raise the maximum grant by \$300 per student, to \$3,000, the largest increase in 20 years.

To many higher education analysts, the Pell grant increases are not enough. Mr. Clinton's plan "tips the benefits so heavily to the more advantaged in our society that I have great misgivings," said Lawrence Gladieux, executive director for policy analysts at the College Board. "I appreciate that families are struggling to afford college for their children, but this is clearly an upper-income program."

Governors Relent on Welfare Law

WASHINGTON — Under pressure from congressional Republicans, leaders of the National Governors' Association have decided not to seek major changes in the new federal welfare law. Instead they issued a cautious appeal to Congress and to President Bill Clinton to work with them to meet the needs of a relatively small group of legal immigrants who will lose federal benefits.

Governor George Pataki of New York, a Republican, was in the vanguard of governors who were urging Congress to restore benefits for legal immigrants.

But on Sunday, in the interest of getting an agreement, Mr. Pataki and a fellow Republican, Governor Pete Wilson of California, joined others to support a compromise policy.

The compromise came on the same day that the House Democratic leader, Richard Gephardt of Missouri, said he wanted to see how the law worked before any major changes were made. The compromise expresses concern about the effects of the new welfare law on one group of legal immigrants, those who are already in the United States but cannot become citizens because of age or disability.

The statement as originally drafted said such immigrants "should not be barred from federal supplemental security income benefits and food stamps."

Republican congressional leaders and conservative Republican governors objected to that wording, so the Human Resources Committee softened the language.

The governors now urge Congress simply to "ensure that the immigration system and its requirements are fair to both

citizens and noncitizens and meet the needs of aged and disabled legal immigrants." (NYT)

Lawyers Oppose Death Penalty

SAN ANTONIO, Texas — Calling the imposition of the death penalty "a haphazard maze of unfair practices," policymakers at the largest organization of lawyers in the United States voted overwhelmingly Monday to seek a moratorium on capital punishment.

The vote by the American Bar Association's House of Delegates was 280-119. The recommendation now will be a focus of the 370,000-member group's efforts in Congress and state legislatures. Those who wanted the association to change its policy said that "efforts to forge a fair capital-punishment jurisprudence" had failed. No executions should occur, they said, "unless and until greater fairness and due process prevail." No organized opposition surfaced within the association.

More than 3,000 men and women are on Death Rows across the United States. The federal government and most states permit capital punishment. (AP)

Quote/Unquote

Mickey Kantor, who had a reputation as an aggressive trade negotiator for the Clinton administration, after being surprised by a \$93.15 cab fare for a trip from Dulles Airport to his Washington home: "Was I mad about \$93? You're damn right I was. I was angry, and I did say I was going to refuse to pay. I did hit my open hand on the back of the trunk." (WFP)



President Clinton with Governor Bob Miller of Nevada, chairman of the National Governors' Association, at the White House on Monday.

Marriage? It Dents Drinking and Drugs (but Not Smoking)

By John Schwartz
Washington Post Service

WASHINGTON — It doesn't take a scientist to determine that many young people who leave home for college begin drinking to excess, smoking and even using illegal drugs. But a new, long-term nationwide study shows that alcohol and illicit drug abuse drop sharply after marriage, while the tobacco habit proves far more tenacious.

Researchers from the University of Michigan found that becoming en-

gaged, getting married and having children are all associated with a steep drop in the use of alcohol and illicit drugs — a phenomenon the researchers called the "marriage effect."

Forty-one percent of single subjects in the study reported heavy alcohol use in the two weeks before the survey, while 28 percent of the married subjects reported such behavior in that period. Cocaine and marijuana use registered similar steep declines after marriage.

Couples who live together without

becoming engaged or marrying did not appear to change their lifestyles, the researchers found. Divorce was associated with a return to bad habits, while remarriages drove down drug and alcohol use once again.

But the study subjects who married did not experience the marriage effect when it came to smoking. The researchers found about 18 percent of the group smoked while they were single and about 16 percent after marriage.

Women, in part because of pregnancy, were more prone to quit cigar-

ettes. Men, however, did not tend to kick the tobacco habit.

The report released Monday is based on data collected by the University of Michigan's Institute for Social Research. That survey of young people has been funded since 1975 by the National Institute on Drug Abuse and has collected information from more than 33,000 young adults between 1976 and 1994.

Why do young marrieds cut back so readily on drinking and illegal drugs but not tobacco? To Brian Rubery, a spokesman for the national Campaign

for Tobacco-Free Kids, the answer is simple: "Nicotine addiction has a big role there." He added, "They are addicted to a very powerful, powerful drug."

A spokesman for the tobacco industry disputed Mr. Rubery's view.

"With a pleasant pastime like smoking," said Thomas Lauria of the Tobacco Institute, "you can smoke a cigarette and drive a car and do anything else you want to. It does not intrude on the user's lifestyle, the way drinking and illegal drug use do."

2 Are Arrested For Bombings In California

Los Angeles Times

VALLEJO, California — Two men have been arrested here in connection with the bombings of the county courthouse and a bank, and the authorities have seized nearly 600 pounds of stolen dynamite in what they contended was a plot to destroy evidence in a pending criminal case.

No one was hurt in the bombings, which rocked the Solano County courthouse in Northern California and damaged three automated teller machines outside a Wells Fargo bank last week.

The police in Vallejo said the two suspects they arrested Sunday were Francis Donald Ernestberg, 40, of Vallejo, and Oston Oostoun, 24, whose hometown was not listed. They were being held without bail on suspicion of conspiracy, possession of explosive devices and burglary.

A third man was being sought and was considered armed and dangerous, the police said.

"The motive, we believe, was an attempt to stop the county criminal justice system," said Lieutenant Ron Jackson, spokesman for the Vallejo Police Department. "It's not gang-related or militia-related or anything like that, but as simple as they wanted to stop a relatively serious court case, and they thought if they could destroy the evidence they could stop the trial."

He would not elaborate on the nature of the court case.

The arrests capped a weeklong investigation that began Jan. 25, when two children found a knapsack holding 30 sticks of dynamite leaning against an outside wall of the city library. On Sunday night, the discovery of 61 sticks of dynamite in a car, and 500 pounds more in the garage of a house, prompted the evacuation of about 20 blocks in the heart of a central Vallejo neighborhood.

Lieutenant Jackson said the police believed the suspects intended to use the explosives to destroy a police evidence facility, which is in the basement of the library. "We think it was going to happen relatively soon, and you can imagine what 60 sticks of dynamite would have done," he said.

He added that a major break in the case came when the police were contacted by a number of people who apparently knew the suspects and had information about the bombings.

Away From Politics

• The number of rapes reported around the United States in 1995 fell to 97,000, the lowest number since 1989 and the lowest rate per capita in a decade, the Justice Department reported. It also said that according to a survey designed to include people who did not report incidents to the police, the number of people 12 and older who were victims of rape or sexual assault fell by 44 percent from 1993 to 1995. (NYT)

• The newly reconstituted jury in O.J. Simpson's civil trial began its first full day of deliberations Monday with no indication of when a verdict would be reached. Judge Hiroshi Fujisaki ordered the jurors in Santa Monica, California, to start over after he removed the panel's only black member, replacing her with an alternate. The original panel considered the case for about 14 hours last week. (AP)

• Protesters who they described as unsafe conditions for welfare recipients who work in New York City parks, workfare laborers and their supporters disrupted a Groundhog Day ceremony at the city's zoo in Queens. They said that many of the 5,500 laborers must often pick up trash, including dangerous materials like used syringes, without proper gloves. (NYT)

• An abortion clinic bombed twice last month in Tulsa, Oklahoma, was attacked again by an intruder who broke in, shot at medical equipment and fled, the police said. (AP)

HONG KONG: For U.S., a Big Stake in the Future

Continued from Page 1

years, Hong Kong and its future are likely to remain one of the central U.S. policy concerns in Asia.

With the colony set to revert to rule by the Communist Chinese mainland in less than five months, what happens here will help define Washington's pivotal but prickly relationship with Beijing. The changes could affect everything from where American ships in Asia can dock for shore leave to the ability of U.S. law-enforcement agencies to combat organized crime in America's cities.

"We've got so many Americans doing business here, both locally and in China, that if the guarantees are not lived up to, it would really make a difference in financial flows and trade patterns," said a U.S. diplomat with long experience in Hong Kong.

President Bill Clinton's administration and members of Congress are already moving Hong Kong to the front of the U.S. policy agenda. In a news conference last week, Mr. Clinton said he hoped "China would continue" the personal freedoms that the people of Hong Kong have enjoyed in making it such an economic engine. Several congressional delegations have visited this year, and many more are expected.

Beijing appears to accept that America has an important stake in Hong Kong's future. Various U.S. policymakers say that Hong Kong has been a topic in almost every high-level meeting, and Chinese leaders have not told their American counterparts that the future of the colony is an internal affair. "They recognize our interest," a U.S. official here said.

There are many reasons besides the heavy commercial investment that underlie U.S. policymakers' concern in maintaining Hong Kong's local autonomy and way of life.

For the U.S. Navy, Hong Kong is an important port of call, with about 65 American ships paying visits each year, bringing in a total of 50,000 American seamen. Those sailors on shore leave pump \$50 million into the local economy. China has agreed in principle that the ship visits can continue even after Hong Kong becomes Chinese territory, but the details are still being worked out.

Hong Kong is also an important regional center for American law-enforcement agencies, with the FBI and the Drug Enforcement Administration

uncovering increasing links between Asian organized crime in America and the local criminal "trials." A U.S. official said that several recent kidnappings, drug-trafficking, illegal-immigrant-smuggling and counterfeiting cases in America have all been traced back to Hong Kong gangs.

"The criminal links often come through Hong Kong because of Hong Kong's status as a regional financial and communications center," the U.S. official said. "Our ability to combat Asian crime is vastly aided by having an active partnership with the Hong Kong police."

The United States and Hong Kong also enjoy deep cultural links, from the huge numbers of American Chinese who trace their ancestry here to the large number of local Chinese who have graduated from American universities. Tung Chee-hwa, the shipping tycoon chosen to become China's first chief executive on July 1, lived for a decade in the United States and has been a longtime member of the American Chamber of Commerce.

Many American diplomats, academics and members of the business community say they see Hong Kong — with its open markets, low tariffs, civil liberties and free-wheeling, capitalist system as a harbinger of the kind of society mainland China might one day evolve into, making Hong Kong's way of life vitally important in the longer process of reforming China.

"On trading rules, financial rules, human rights, Hong Kong is the place where the world's rules, and China's, meet," said a U.S. official.

As the largest and most prominent foreign community in Hong Kong, the United States seems most likely to benefit from the shifting order that will occur here next summer. Throughout Hong Kong's history as a British possession, British firms and British interests held a privileged position here against American and other foreign competitors, even as Hong Kong boasted of being one of the world's more open economies.

"In terms of influence, there's no question that traditional British firms have had a disproportionate influence here," said Douglas Henck, the newly elected chairman of the American Chamber of Commerce. "There has been some privileged status for certain British companies, and that will go away. You are removing one element of competition at that top position."

CLINTON: Struggle Begins

Continued from Page 1

pressure for more social spending. Senate Democrats have already outlined an assortment of plans to extend health care coverage to the 10 million uninsured children.

A proposal sponsored by Senators John Kerry and Edward Kennedy of Massachusetts goes beyond anything Mr. Clinton is expected to call for. Their plan, at a cost of \$25 billion over five years, would provide vouchers for poor families to buy insurance.

Yet despite the tone of amity and the desire of both Mr. Clinton and Republican leaders to show that divided government can work, serious stumbling blocks could emerge as the two sides start negotiating how to erase the federal deficit.

One of the most bitter fiscal issues dividing Republicans and Democrats in the 1996 campaign was how to find savings in Medicare, the health insurance program for the elderly.

Last month, Mr. Clinton made a conciliatory gesture to the Republicans by announcing that his budget plan would trim the growth of Medicare spending by \$138 billion over six years — more savings than he was willing to entertain in the past.

Republicans welcomed the move but have since expressed reservations about the fact that Mr. Clinton would make the roughly \$20 billion in additional savings largely by reducing payments to health maintenance organizations, not by asking the elderly to pay more.

Tax cuts are also shaping up as a struggle. The Republicans want nearly twice the number of cuts proposed by the president, with more reductions for people in the upper-income brackets and a drop in the top capital gains rate. His proposals are largely focused on middle-income families and education.

Within his own party, Mr. Clinton will probably face

DEATH NOTICE

PINKHAM Richard, A.R.
A retired New York advertising executive who was a member of the team that helped the National Broadcasting Company enter the era of network television, died recently at Jupiter Medical Center in Jupiter, Fla. He was 82 and had homes in Hoboken, N.J., and Rye, N.Y. The cause was cancer, his family said. Mr. Pinkham was a member of planning for its budding video network in 1951. Then, as vice president, he was given responsibility for network programming. In that post he had a leading role in shaping the "Today" show with Dave Garroway and the "Tonight" show with Steve Allen. He moved to Ted Bates & Co. in 1957, where he held senior management positions in television programming and production. After Bates merged its media and programming functions in 1963, Mr. Pinkham led the combined department. He was elected to the advertising agency's executive committee, served as its chairman and in 1976 was named vice chairman of the company. He retired in 1979. A native of Manhattan, he graduated from Yale College in 1936. He worked briefly for Time Magazine and The New York Herald Tribune before moving into television and advertising. He is survived by his wife, Mary Struthers Pinkham; two daughters, Mary Jane and Elizabeth Anderson of Billings, MT; two sons, Richard A.R., Jr., of Rye, NY and David S. of Barrington, RI and eight grandchildren.

ASIA/PACIFIC

ASEAN to Keep East Timor Off Agenda of EU Talks

Compiled by Our Staff From Dispatches

SINGAPORE — The Association of South East Asian Nations will block any attempt by the European Union to discuss East Timor at a joint ministerial meeting next week, but it is ready to talk about Burma, Singapore Foreign Ministry officials said Monday.

"On Myanmar there will be a discussion," a senior official said, referring to Burma, "but on East Timor there will not be a discussion."

The official was briefing reporters about the 12th ASEAN-EU ministerial meeting, to be held in Singapore on Feb. 13 and 14.

"The Indonesians have told us as co-chairmen that if the East Timor issue is raised by the Portuguese, they would walk out," the official said.

Indonesia, he said, felt that East Timor should be discussed under United Nations auspices and should be brought up in bilateral talks with Portugal.

He added that the Indonesians had received a strong mandate on this issue from ASEAN heads of government at their informal meeting on Nov. 30.

ASEAN groups Indonesia, Thailand, Malaysia, the Philippines, Singapore, Brunei and Vietnam.

The official, who declined to be identified, said that Singapore had not received an assurance from Portugal that it would not raise the East Timor issue at the meeting.

But he said that ASEAN had been talking to the EU presidency and other EU members to make it clear that the "whole relationship would be seriously affected" if the issue was brought up.

Indonesia has been accused of human rights violations in East Timor, which it invaded shortly after Portugal abandoned it in 1975.

Indonesian rule of East Timor has never been recognized by the United Nations, which

regards Portugal as the administering power.

The official said that, despite difficult human rights issues to be tackled, "indications are good that there will be a substantive, forward-looking joint declaration after the meeting."

Burma, whose military regime has been isolated in the West for suppressing democratic forces, is expected to be admitted as an ASEAN member along with Cambodia and Laos, possibly as early as this summer.

The EU has been critical of ASEAN's relations with Burma's military junta.

The ASEAN-EU meeting will be followed by the first Asia-Europe foreign ministers meeting on Feb. 15.

Another official said that political dialogue at the second session would look at global challenges and focus on economic cooperation.

According to Singapore Foreign Ministry figures, total trade between ASEAN and the

European Union rose to \$99.5 billion in 1995, up from \$75.7 billion in 1994.

(Reuters, AFP)

■ Burma Holds 105, Opposition Says

The Burmese opposition leader Daw Aung San Suu Kyi said Monday that the military government was still holding 105 people detained in student protests in December. Reuters reported from Rangoon.

A senior member of the governing State Law and Order Restoration Council said in an interview that the country's rulers were still holding some detainees, but he did not say whether they had been arrested in connection with the December protests.

He also said that the council had no plans for dialogue with Daw Aung San Suu Kyi. "She will always be against us," said Lieutenant General Kyaw Ba, a founding member of the council and the hotels and tourism minister. "At this time, it is impossible."

BRIEFLY

Taipei Seeks Subs From Bonn

TAIPEI — President Lee Teng-hui urged Germany on Monday to sell submarines to Taiwan to help ensure stability in the Taiwan Strait.

"The Republic of China is surrounded by the sea, and the lack of submarines is our biggest weakness in protecting ourselves and maintaining stability across the Taiwan Strait," Mr. Lee said.

Germany and Taiwan have discussed submarine purchases for a long time, but your government has not approved the deal under pressure from Chinese Communists," Mr. Lee said.

Germany maintains diplomatic relations with China, which has considered Taiwan a renegade province since it drove nationalist forces here in a civil war that ended in 1949. Beijing has warned other nations against selling weapons to Taiwan and has threatened retaliatory measures over any deals. (AFP)

Malaysia Shuts Borneo Border

KUALA LUMPUR — Malaysia closed part of its border with Indonesia on the island of Borneo after recent riots on the Indonesian side, the Malaysian national news agency Bernama reported Monday.

All border posts between Malaysia's state of Sarawak and Indonesia's West Kalimantan Province on Borneo will be closed indefinitely. Bernama quoted a State Security Council order as saying.

The order follows news reports that 5,000 indigenous Dayak tribesmen burned and looted scores of homes and businesses belonging to settlers from the Indonesian island of Madura in rioting last month, Bernama said.

The border closure has stranded hundreds of Indonesians working in Sarawak, preventing them from returning home for the weekend. Bernama said extra police had been deployed at the border. (Reuters)

Tokyo Spars With Okinawa

TOKYO — Prime Minister Ryutaro Hashimoto warned Monday that a dispute between the Japanese government and Okinawa landowners over leases for U.S. military bases could cause a rift in Japan-U.S. ties.

Leases for land on the southern island of Okinawa expire on May 14.

The land is currently occupied by 12 American military facilities and owned by landlords who oppose the U.S. presence.

A special Okinawa prefecture committee that is expected to rule on the forced leases begins hearings on Feb. 21. It is unlikely to deliver a verdict before the May 14 lapse of the leases, Mr. Hashimoto said. (Reuters)

For the Record

A fire in Calcutta destroyed an international book fair Monday, killing one person and reducing to ashes thousands of volumes at a makeshift exhibition site, fire officials said. (Reuters)

At least 47 Philippine children died of measles in the last month, and more than 1,000 are in a government hospital, health officials said Monday. Health Secretary Carmencita Reodica said she had ordered a nationwide immunization campaign to prevent the spread of measles. (AFP)

Indian troops offered Muslim separatist militants a weeklong truce in the troubled state of Kashmir during the Eid al-Fitr festival, a top army official said Monday. "We want all the people in Kashmir, including militants, to celebrate Eid without any fears or apprehensions," said General Jasbir Singh Dhillon, Kashmir's army chief. Muslims celebrate Eid al-Fitr on Feb. 10 to mark the end of Ramadan, the Muslim holy month of fasting. (AFP)

Peruvian Leader Meets With Clinton

Lima Rejects Giving In to Rebels

The Associated Press

WASHINGTON — Setting aside concerns of counterterrorism experts, President Bill Clinton met Monday with Alberto Fujimori of Peru about the Lima hostage crisis.

Mr. Fujimori was in Washington to attend an international gathering on small business loans.

Peruvian officials have speculated for days that Mr. Clinton would meet with Mr. Fujimori. But administration officials last week dampened expectations for a presidential meeting, saying Mr. Clinton did not want to raise the value of the hostage-taking.

"He has deliberately been very low-key in talking about that, for reasons that reflect the recommendations of his counterterrorism experts in our government," the White House spokesman, Michael McCurry, said Friday.

None of the hostages is American.

Mr. McCurry said Monday that "some diplomatic contacts" Sunday persuaded the administration that a low-key meeting between the two presidents would be appropriate.

Though neither side gave details of the discussion, before the meeting Mr. Fujimori dismissed suggestions of any

"peace accord" with the Marxist guerrillas who have held hostages at the Japanese ambassador's residence in Lima since Dec. 17.

Speaking to the Organization of American States, Mr. Fujimori said Peru had paid too high a cost to impose law and order "to throw it all overboard and give in to the extortion of a gaggle of human rights violators."

"Some people are starting to talk about a peace accord," Mr. Fujimori added. "We Peruvians do not understand what they are talking about, since that idea presumes a reality that is not Peru's."

He said the country was "living in peace" and was not "going to accept such a peace agreement."

Referring to the Tupac Amaru Revolutionary Movement rebels who were holding the 72 hostages and demanding the release of jailed comrades, Mr. Fujimori added, "There are no guerrillas or popular armies in Peru, there is only a people tired of living in poverty and violence, a people who want to work and get ahead in life."

In Canada on Saturday, Mr. Fujimori pledged during a meeting with Prime Minister Jean Chrétien to provoke the Tupac Amaru guerrillas.



A policeman washing a police dog near the residence in Lima where 72 hostages are still being held.

Australian Chief to Seek a Parley on Republic

Reuters

CANBERRA — Prime Minister John Howard will seek party approval Tuesday for a people's convention to be held by the end of the year to consider whether Australia should become a republic, replacing Queen Elizabeth with an Australian head of state.

Government sources said Monday that Mr. Howard's cabinet had already approved the convention, which would consider how Australia's constitutional monarchy can become a republic, replacing Queen Elizabeth with an Australian head of state.

The decision confirms a 1996 election pledge by Mr. Howard, a staunch monarchist, that the convention would be held this year. Half of its delegates would be elected by the public, and the others appointed by the national and state governments.

Opinion polls show that about half of Australian voters want a republic.

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EUROPE

Serbia's Days of Violence

Many Injured in Clashes With Police

Compiled by Our Staff From Dispatches

BELGRADE — The police clubbed demonstrators as more than 50,000 people marched through Belgrade on Monday, witnesses said, the day after police injured 80 people in another crackdown.

The police sealed off a pedestrian zone in the city center and were dispersing any groups of more than two people.

It was the second straight day of clashes between protesters and the security police of President Slobodan Milosevic in a largely peaceful three-month period of demonstrations against the canceling of opposition election victories.

Most of several hundred policemen wearing helmets and body armor had left the scene after tens of thousands of demonstrators withdrew from a standoff with a police cordon on a major boulevard earlier in the afternoon.

But about 200 people lingered for what may have been the first unprovoked assault by protesters on the police in Serbia's marathon political crisis.

The police finally charged, pursuing scattered clutches of protesters in different directions past startled strollers in the shopping district.

Several protesters were caught, kicked and clubbed by policemen.

Earlier Monday, 10,000 students rallied at different colleges and were allowed to march unhindered through the city and across the bridge that was the scene of Sunday's confrontation.

The violence on Sunday was the government's fiercest response yet to 11 weeks of street rallies touched off by its annulment of opposition victories in municipal elections in November.

Some 80 people were injured when policemen used riot sticks, tear gas and water cannon to smash through a crowd of thousands trying to cross the bridge into Belgrade. Policemen then chased protesters all over the city center, beating and arresting them.

The violence enraged Belgrade's head of the Serbian Orthodox Church, Patriarch Pavle, appealed to the police "to protect law and order, and not those in power, who are sinking deeper and deeper, not knowing what they are doing."

The National Theater went on strike, and distributors pulled films from a popular annual festival.

"We can't remain silent while Serbia is

burning," said Ljubisa Samardzic, a popular actor and producer.

Vuk Draskovic, an opposition leader, urged the army to side with the protesters and implored citizens to stop paying taxes.

"Complete civil disobedience is the only way," he told reporters.

Zoran Djindjic, another opposition leader, urged the West to raise pressure on Mr. Milosevic to recognize the opposition's election victories in Belgrade and other major cities.

"All those governments thinking of doing business with Milosevic in telecommunications and other areas should cancel their contracts," Mr. Djindjic told Associated Press Television.

He also criticized police actions on Sunday.

"Actions like these cannot stop the demonstrations, but can only raise the restlessness and anger of the people," Mr. Djindjic said. "We must continue. The people will come out today, tomorrow and in the future. Milosevic has won nothing and lost a great deal."

Germany, France and Britain deplored the violence.

The top international mediator in Bosnia directly accused Mr. Milosevic of ordering it.

Witnesses told independent radio stations that scores of protesters had been arrested but there was no word on arrests from authorities on Monday.

Clashes that began Sunday continued into early Monday morning. At least eight policemen were among the injured as the police fired tear gas and water cannons and swung riot sticks and protesters responded by throwing rocks.

An Associated Press reporter was clubbed on the back, and cameramen for Associated Press Television, Reuters Television and CNN were also beaten. (AP, Reuters, AP)

France Invites Opposition Leaders

France, condemning police repression of pro-democracy protesters in Belgrade, invited the three leaders of Serbia's opposition coalition to visit Paris as soon as possible, Reuters reported from Paris.

"This invitation amounts to recognition by the French government of the leaders of the Zvezdo opposition coalition, which through the past weeks has proved its political maturity," Foreign Minister Hervé de Charette said in a statement.



Catherine Megret and her husband, Bruno, celebrating the National Front's success in Vitrolles.

Block the Far Right, Juppe Urges

Compiled by Our Staff From Dispatches

VITROLLES, France — Prime Minister Alain Juppe urged center-rightists on Monday to drop out of a municipal election here and unite with Socialists to keep out the far-right National Front.

Mr. Juppe, interviewed by France Inter radio about the poll's second round in Vitrolles, said: "What we all want is the list of the candidate which came third to pull out." That would be Roger Guichard, candidate of the government's RPR-UDF coalition.

The National Front's Catherine Megret led the field ahead of the Socialist mayor, Jean-Jacques Anglade in the first round, touching off a dispute among mainstream candidates over how to stop the anti-immigrant party from winning control of Vitrolles.

The National Front controls three other towns in southern France: the Mediterranean port of Toulon, the ancient Roman city of

Orange and Marignane, which borders on Vitrolles and is home to the Marseille airport.

In Vitrolles, Mrs. Megret finished first with 46.7 percent of the vote. Mr. Anglade trailed with 37 percent after a campaign marked by insults and scattered violence. Mr. Guichard, the center-rightist, had 16.3 percent.

A second round will be held Sunday because Mrs. Megret fell short of the 50 percent needed to be elected outright.

Both Mr. Anglade and Mr. Guichard urged each other to stand aside to unite mainstream forces against the National Front.

Mrs. Megret's husband, Bruno Megret, who is the National Front's deputy leader, said Mr. Juppe covered himself in shame in supporting Mr. Anglade, "a candidate who has been invalidated, stripped of his post, and placed under investigation for forgery."

Mr. Anglade, who said Mr.

Guichard had no reasonable hope and should pull out, called a rally for Wednesday.

Mr. Guichard said, "He should pull out if he wants to avoid a Megret victory."

Mr. Megret, beaten by Mr. Anglade in 1993, was banned from running this month for exceeding campaign spending limits and was "represented" by his wife, who has scant political experience.

Charles Pasqua, a former interior minister and leading figure on the right in France, said Monday that the political class had made a big mistake by allowing the National Front to monopolize a certain number of "republican values" like patriotism and nationalism.

He said the National Front was able to pick up a large protest vote because the left had collapsed and there was no other way for French voters to vent their frustrations. (Reuters, AFP)

What Tapie Seeks for the Slammer: A Cell Phone

Compiled by Our Staff From Dispatches

PARIS — Bernard Tapie, the bankrupt former tycoon, French politician and soccer boss, was expected to spend his first night in jail Monday, pending a Supreme Court hearing on his appeal Tuesday.

"He is going" to prison, said Mr. Tapie's lawyer, Jean-Yves Lienard.

Mr. Tapie, a former Socialist minister who sits as a Radical in the European Parliament, has faced a series of legal actions over the last few years, many linked to his time as head of the Olympique de Marseille soccer team.

The case stems from a ruling in the northern city of Douai in November 1995. A court there ordered him jailed for two years, with 16 months suspended, over a 1993 match-rigging offense involving a match between Marseille and Valenciennes.

By law, Mr. Tapie, who has expressed terror at the prospect of going behind bars, must report to prison on the eve of the hearing Tuesday on his appeal. Otherwise his appeal will be rejected automatically.

Earlier, Mr. Lienard visited La Santé prison in central Paris.

"I wanted to discuss with the prison administration the manner in which he would be admitted to La Santé if he decided to come," the lawyer said.

French news media said Mr. Tapie, 54, inquired whether he would be allowed to use his cellular phone in prison — the answer was "no" — and how many showers a day he would be allowed.

He was also reported to have called Loïc Le Floch-Prigent, the former chairman of state railroad and of the oil company Elf Aquitaine, who was recently released from six months in pretrial detention, to inquire about conditions at La Santé.

If the court upholds the sentence, Mr. Tapie will serve the rest of his term.

If it quashes his conviction, then Mr. Tapie, whose business empire once included the sports equipment company Adidas, will be released until his next trial.

He faces a blizzard of legal actions over his failed holding company, tax affairs and stewardship of the Marseille team.

He is also appealing a six-month conviction for tax fraud over his luxury yacht and is to go on trial in May on charges of falsifying the accounts at Marseille.

Mr. Tapie, who has begun a career as a film actor, is hoping for an open prison regime under which he could spend his nights in jail while working in movies during the day. (Reuters, AFP)

Verdun Fort For Sale (Check the Minitel)

Reuters

PARIS — Local authorities in Verdun, site of one of the bloodiest battles of World War I, expressed dismay Monday after the Defense Ministry publicly advertised to sell the town's historic Citadel.

"Putting the Citadel on sale on the Minitel is indecent," said Dominique Peridot, who heads the tourist office in the eastern French town. "If anyone can go about transforming it into what you know what, what will remain of its past?"

The 18th century fort has been for sale for nearly three years, but only in the last few days has the sale begun to be widely advertised to the public on the Minitel computer network.

BRIEFLY

Bomb Hits U.S. Dorm in Paris

PARIS — A bomb exploded early Monday outside the American block at the Cite Universitaire, the main hall of residence for Paris students, shattering windows and damaging three parked cars, the police said. There were no injuries, and no one immediately took responsibility for the attack, in the south of the capital.

The police said that the explosive device was packed into a small gas canister, denying earlier reports that it was a 13-kilogram (28-pound) canister.

They said there was no link between the blast and a gas canister bomb attack on a Paris commuter train that killed four people in December. The train attack, and a wave of bombings that killed eight people in 1993, have been attributed to Algerian Muslim militants. (Reuters)

French-Dutch Pact on Drugs

THE HAGUE — France, the severest critic of the permissive Dutch drugs policy, signed a customs agreement with the Netherlands on Monday that aims to prevent smuggling of narcotics.

Under the accord, Dutch and French customs officers will focus on a host of illegal goods, but intercepting drugs shipments will be their main goal, said Peter Mulder, a spokesman for the Dutch customs authorities.

The two countries will intensify cooperation through regular exchanges of customs officers and intelligence. They will also swap techniques and equipment for scanning suspect shipments. (AP)

Belgian Won't Shuffle Cabinet

BRUSSELS — Prime Minister Jean-Luc Dehaene, working hard to keep his government in one piece, said Monday that he had no plans to change his team despite a scandal involving one of the parties in the coalition.

The scandal over bribes allegedly paid to the Socialist Party in the late 1980s has sparked calls for Socialists to leave the government and for the coalition to quit.

"There is not a single reason to reshuffle the government," Mr. Dehaene said after meeting leaders of his Flemish Christian Democratic party. "This government has a clear mission, and those who think I will let myself get distracted from this mission are wrong." (Reuters)

Greek Cypriots Buy a Gunship

NICOSIA — Greek Cypriots have purchased a torpedo boat from Israel that is to be delivered in August, a military source said Monday.

Tension rose sharply in Cyprus in early January when the Greek Cypriots announced the purchase of long-range ground-to-air missiles from Russia. (AP)

Protests by Opposition Paralyze Bulgaria

Compiled by Our Staff From Dispatches

SOFIA — Striking transportation workers brought Bulgaria to a standstill on Monday as the main opposition party rejected a proposal from the ruling Socialists to join it in a coalition government.

Compounding the transportation strike, students blocked five major intersections in Sofia, jamming all routes in and out of the capital. Fifteen students were injured as cars tried to break through their blockade, organizers of the demonstration said.

National radio said the airport, which was shut down for 50 minutes Monday, would close for a full hour Tuesday and indefinitely beginning Wednesday if the Socialists proceeded to form a new government on their own.

And main routes into Bulgaria were blocked around the country, national radio said. All roads around Plovdiv were closed, a human chain blocked the town of Iambol for two hours and protesters closed a main bridge in the port of Varna.

Demonstrators at Dourenitsa, 60 kilometers (35 miles) south of Sofia, kept up their round-the-clock barricade of road and rail routes to Greece for a sixth day.

National radio also reported strikes at all of the country's mines.

On Sunday, the Union of Democratic Forces, the main opposition party, declined the Socialists' last-minute offer of more talks on a coalition, insisting that they first hand back their mandate.

Bulgaria was plunged into its worst crisis since the end of Communist rule in 1989 after the resignation Dec. 28 of Prime Minister Zhan Videnov and his replacement by another Socialist.

The new center-right president, Peter Stoyanov, who backs the opposition, designated the Socialist candidate Nikolai Dobrev as the new prime minister last Tuesday and asked him to form a government.

Under the Bulgarian constitution, the Socialists' offer would have paved the way for elections two months after a coalition government was formed. The opposition's rejection of the proposal seems designed to force earlier elections.

The Socialists have an absolute majority in Parliament and, barring defections, should be able to win a vote of confidence Tuesday for their new cabinet. But many people say they fear that the vote will spark a repeat of the violence of Jan. 10, when demonstrators battled the police and besieged and ransacked Parliament. (AFP, Reuters)

Swedish Parties Agree to Start Nuclear Power Phaseout

Reuters

STOCKHOLM — The governing Social Democratic Party gained support Monday to phase out nuclear power, ending a 17-year deadlock.

"The Center Party, the Left Party and the Social Democrats have reached accord on a proposal for an energy agreement," said Peter Alkinder, a spokesman for Energy Minister Anders Sundstrom.

These three parties hold 210 of the 349 seats in Parliament.

Swedish radio said they had agreed on the closure of one reactor at the Barseback nuclear power plant before general elections in 1998 and the closure a second reactor after the elections.

Negotiations are set to begin with the plant's owner, Sydkraft AB, about replacing the power source with either natural gas or oil, the radio said.

Spokesmen for the parties declined to comment on the details of the accord, saying they would inform their Parliament members Tuesday.

Environment Minister Svend Auken welcomed a possible closure of Barseback, which is

within sight of Copenhagen and has long been a subject of dispute between Sweden and Denmark. "It is a very good and responsible agreement," the minister said. "It concerns how a nuclear power phaseout will begin, and it meets demands that the industry will not be hurt. It will provide increased employment."

Swedes voted in a 1980 referendum to phase out nuclear power. Parliament later set 2010 as the target for making the country nuclear-free. Critics say that Sweden has not made alternative arrangements for electricity supply.

Major Hopeful on NATO

Reuters

PARIS — Prime Minister John Major of Britain said in an interview Monday that he believed a settlement would be found to a French-American dispute over NATO commands.

Speaking of the NATO commands, Mr. Major told the newspaper Le Figaro: "The future structure will have to be efficient militarily. It will have to address European aspirations but also have wide political support in the United States."

"It will have to express a coherent and visible European identity with new tasks and even more influence" for Europeans.

Paris and Washington have been deadlocked for several months over a French demand that a European officer take over NATO's southern command.

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INTERNATIONAL

War Again? Tense Bosnian City Awaits a Ruling

By Bradley Graham
Washington Post Service

BRCKO, Bosnia-Herzegovina — An international arbitration decision due within days on the future of this northern city has stirred threats of renewed war from leaders of Bosnia's ethnic groups and prompted U.S. military forces to gird for the worst.

The ruling on whether Brcko would remain in Serbian hands, revert to Muslim control or end up in some other hybrid arrangement — perhaps under international management — is regarded as potentially one of the most important turning points in Bosnia since the 1995 Dayton accords ended three-and-a-half years of civil war.

It comes on the heels of a big reduction in the size of U.S. and other international peacekeeping forces in the country, raising questions about the ability of the Stabilization Force led by the North American Treaty Organization to quell trouble if it erupts.

U.S. military commanders here remain confident that they have the firepower to prevent formerly warring armies from mobilizing after the decision, which is expected by Feb. 15. But they worry about nonconventional challenges: masses of civilian protesters converging on Brcko, confrontations erupting elsewhere along the 621-mile (1,035-kilometer) demilitarized zone that separates Bosnian Muslim, Serbian and Croatian forces, or terrorist acts by paramilitary groups.

To reinforce the several dozen tanks and armored personnel carriers normally posi-

tioned here, a mechanized infantry company and some attack helicopters are being moved closer to the city from other bases in Bosnia. Brcko (pronounced BURCH-ko) straddles the main land and water trade routes linking the southern Balkans with Central Europe. Bosnian Serb forces seized it in May 1992, sending the Muslims — who accounted for 55 percent of the city's population — fleeing as did Croatian residents, to villages south of town.

Today, the city is a bleak and battered remnant of its prewar self, its port and railroad lines idled, its major factories — shoes, cooking oil, livestock processing — great decaying hulks of inactivity. But Brcko is a strategic choke point for the Serbs.

It lies at the center of a corridor three miles wide linking the eastern and western parts of the Bosnian Serb Republic. Brcko's population has swelled with Serbian refugees from Sarajevo and other cities now in territory controlled by Bosnia's Muslim-Croat federation. The peace accords left unsettled who should control the city, assigning the decision to a three-member panel of international arbitrators led by an American jurist, Roberts Owen, and including federation and Serbian representatives. The arbitration ruling, originally due in December, was postponed for two months at the Serbs' request.

Muslims see Brcko as the ultimate test of their right to reclaim territory that was theirs before the war. Serbs, resentful that they had to surrender territory in Dayton and determined to turn the zone of separation into a permanent boundary between them and the federation,

insist that the arbitration panel reaffirm Serbian control of Brcko and even expand the corridor by granting them land now under federation control. Representatives of displaced Bosnian Croats have urged that control of the city be ceded to the United Nations or some other international authority.

If the city were to go to the federation, the Serb Republic would be split in two, most likely leading thousands of people to flee the western portion and Serbs throughout the region to lose faith in the peace process. In Serbian hands, however, Brcko could block federation access to Croatia and the Sava River, a major trading artery and a link to the Danube River and Black Sea. Moreover, such an affirmation of Serbian sovereignty over a city gained by force could be read as a legitimization of Serbian aggression.

Leaders of all three of Bosnia's main ethnic groups have issued threatening statements in the last month or two, saying that their people cannot idly accept a decision on Brcko that goes against them. Momcilo Krajisnik, the Serb on the three-man Bosnian presidency, declared that the integrity of the Serb Republic was more important than peace and that Serbs "would go to war over Brcko."

At the local level, the political rhetoric has been more muted lately, and a general calm has held for more than a month. But interviews with Serbs and Muslims in the area reveal the fierce strains between them.

"If Brcko becomes an open city, I'll leave," said Simo Peric, a Serb resident who before the war owned a farm in what is now federation

territory. "If it's given to the federation, there'll be a war worse than the last one."

"Brcko never belonged to the Serbs and never will," asserted Kemal Kalic, who fled the city with his family five years ago. "I'm telling you, there'll be a new war if our right to return isn't protected. People are fed up."

Since the signing of the peace agreement, only about 100 Muslims have tried resettling in Brcko, trickling into the ruined southern suburbs of Brod, Dizdarska and Omerbegovaca, near a U.S. military encampment here. Before the war, more than 20,000 Muslims lived in the town.

Several bomb attacks on Muslim houses last summer and fall chased out two families that had ventured back and discouraged others from attempting to reclaim their property.

The arbitration decision has the potential to trigger confrontations not only around Brcko but also wherever Muslims and Serbs face each other. As a sign of persisting tensions along the zone of separation, for instance, a crowd of more than 200 angry Serbs clubbed Muslim construction workers last weekend in the northeastern hilltop hamlet of Gajevi.

The assault ended when a U.S. sergeant fired a warning shot and other soldiers helped push the Serbs back. But U.S. military commanders remain focused on the ruined village last week, intent on restoring calm there in anticipation of the Brcko decision.

"What Gajevi shows is that the Bosnian Serbs are serious about not letting even small numbers of Muslims move back in," said Joe Drach, an adviser to the U.S. command.

Cardinal Koliqi of Albania, Long a Prisoner, Dies at 94

New York Times Service

Cardinal Mikel Koliqi of Albania, 94, who spent decades in confinement during the rigidly Stalinist era in his country, died Tuesday in Shkoder, Albania.

He regained his freedom in 1986 after 38 years in jails and labor camps. Pope John Paul II, who elevated him to the College of Cardinals in November 1994, took note of his stature as a "fearless pastor" and "heroic priest" who had endured "so much suffering."

Cardinal Koliqi, the first Albanian ever to become a cardinal, donned the traditional red hat at an unusually late stage of life. He was released in 1984 because of his health, with six years remaining on a sentence for anti-Communist propaganda.

Then the world's last remaining Stalinist government crumbled, the ban on religion was lifted in 1990 and he openly resumed his priestly office at the reborn archdiocese of Shkoder, the center of Roman Catholicism in Albania and his hometown.

The Pope sought out and embraced Cardinal Koliqi during a visit to Albania in 1993. At the time of his elevation, the Catholic News Service reported from Rome that it was "a symbolic gesture of church gratitude" to someone who kept up not just his faith but also an underground pastoral ministry when all religion was outlawed.

Herb Caen, 80, columnist

Known As 'Mr. San Francisco'

SAN FRANCISCO (NYT) — Herb Caen, 80, whose 60-year journalism career was devoted to doting on San Francisco and whose affections were more than amply repaid by legions of ardent readers, died Saturday.

To call Mr. Caen "Mr. San Francisco," as was sometimes done, was redundant. Few, if any, other newspaper columnists have been so long synonymous with a specific place. To his fans, Mr. Caen was a towering icon in his adopted hometown although he was largely unknown in much of the country since his column of snubborn localisms did not even travel well across San Francisco Bay.

In April 1996, Mr. Caen turned 80, won a special Pulitzer Prize for his "continuing contribution as a voice and a conscience of his city" and married his fourth wife. In May, he told his readers that he had inoperable lung cancer — he smoked for 40 years but quit 25

years ago — and 5,000 letters poured in. The city proclaimed June 14 Herb Caen Day, and 75,000 people turned out to shower the writer with affection.

Qin Jiwei, 82, a Leader

Of Tiananmen Crackdown

BEIJING (Reuters) — Qin Jiwei, 82, a former Chinese defense minister, a close associate of the paramount leader, Deng Xiaoping, and a man who helped to orchestrate the military crackdown on pro-democracy demonstrators in 1989, died Sunday, the People's Daily newspaper said Monday.

Mr. Qin's support as a close ally of Mr. Deng's was essential in ensuring the backing of the military when the leadership decided to impose martial law in Beijing in May 1989 and then send in troops, backed by tanks, to crush the protests around Tiananmen Square with heavy loss of life.

Dr. Ian A.H. Munro, 73, a crusading editor of the British medical journal The Lancet for 12 years and a champion of Britain's National Health Service, died after surgery in Kent, England, on Jan. 22.

John P. Mohr, 86, the crusty, poker-playing FBI official who became a member of J. Edgar Hoover's inner circle and later played a central role in the disappearance of Mr. Hoover's legendary files on politicians, died of renal failure Jan. 25 in Arlington, Virginia.

Gayle Kirkpatrick, 62, a fashion designer who was known for his youthful, modern approach to American sportswear, died of AIDS on Jan. 25 in New York.

Roger John Tayler, 67, who helped to advance modern understanding of stellar evolution and served for 18 years as secretary, treasurer and finally president of the Royal Astronomical Society in Britain, died of cancer Jan. 23 in London.

Heiner Carow, 67, who directed what was probably the most popular film ever in the former East Germany, "The Legend of Paul and Paula," died Friday after an apparent stroke. Mr. Carow's often-sensitive themes earned him a name as a "difficult director" in the Communist regime.

RUSSIA: Chernomyrdin Warns U.S. on NATO

Continued from Page 1

meet in March could lead to a Russia increasingly swayed by ultranationalists, "and the tanks will be rolling out" of now-inactive factories.

He said he expected the March summit meeting, to be held in the United States, to come about on schedule. But the prime minister favors shifting the meeting to Europe to conserve Mr. Yeltsin's strength, an idea he put to Mr. Yeltsin in a meeting here Tuesday. If Mr. Yeltsin agrees, Mr. Chernomyrdin will carry the request Wednesday to Washington, where he spends two days in talks with Mr. Gore and has a session Friday afternoon with the president.

Asked if Russia was ready to discuss the framework for a new strategic arms reduction accord, Mr. Chernomyrdin reintroduced political linkage into the relationship by saying this would have to wait until the NATO debate was cleared up. The previous strategic arms reduction treaty has languished unratified in the Russian Parliament, in part because of nationalist and Communist concern over NATO expansion.

On other topics, the 58-year-old Mr. Chernomyrdin, who has been a dominant figure in managing Russia while Mr. Yeltsin has been ill, and who has given few extended interviews to Western correspondents, made these points:

• He has advised Mr. Yeltsin, who turned 66 Sunday while convalescing from pneumonia and heart-bypass surgery, not to rush back to work from his sickbed, as he has in the past. But Mr. Chernomyrdin acknowledged with a smile that Mr. Yeltsin was not likely to follow that advice. "He's tired of these doctors," he said. "You can understand."

• He said he believed that the International Monetary Fund would resume lending to Russia after suspending monthly installments of a \$10.3 billion, three-year loan because Russia appeared to be failing to maintain strict fiscal discipline.

• He predicted that there would be no renewal of fighting in Chechnya. Using highly conciliatory language, he said he accepted the proposal of the newly elected Chechen president, Aslan Maskhadov, for negotiations with Moscow, and said the election lifted a burden for Russia, providing a "legitimate government" in Chechnya.

But NATO was the subject that animated him with passion and consternation. Repeatedly thrusting a fleshy forefinger into his palm to emphasize his determination, Mr. Chernomyrdin portrayed sustained efforts by NATO political leaders "to comfort us" on expansion as a total failure.

"We know the military component of NATO. We



Bill Gates, chairman of Microsoft Corp., preparing for a news conference in Davos.

GATES: Microsoft Head Steals Show in Davos

Continued from Page 1

"He is very different from the typical European businessman," said Robert Hormats, vice-chairman of Goldman Sachs International. "He embodies the European desire to catch up on the technological revolution."

From the moment he arrived by helicopter Saturday night, to his departure Monday evening, Mr. Gates's sheaf-like schedule was jam-packed. Little of it was on the public program.

On Sunday morning, for instance, he met with a gaggle of presidents and prime ministers, no staff allowed, to answer their questions about software, innovation and capitalism. On Monday, he lunched with the world's media elite. Somewhere along the line he met with a large

potential client. He turned down hundreds of requests for other meetings.

Mr. Gates himself tries delicately to avoid passing judgment on anything but the products his company makes and sells. Asked about Europe's failure to adapt to information technology as thoroughly as the United States, he said: "There is some leadership and good work going on here. But if you take the numerical view, the U.S. is the largest, and I don't think anyone is going to pass us by."

He is right. In a speech Monday morning, Andrew Grove, president of Intel Corp., warned bluntly of a "technology deficit" that afflicts European business. There are 10 times more electronic-mail users in the United States than in all of Europe, he said, and five

times as many Internet users. But the European problem goes deeper than a lack of technology. It was best explained by Gail Edmondson in Business Week magazine, responding to Mr. Trickett's quest for a European Bill Gates.

Imagine if Mr. Gates came to France to start a new company, she wrote. He would find a work force that demands to retire at age 55 and strikes if the demand is not met. Employees who want to work 32 hours and be paid for 38. Workers at a failed bank who took the president's

age. Young people, 50 percent of whom want to spend their professional careers working for the state.

"To see why so few French youths follow in his footsteps, you need only look at France through Bill Gates's eyes," she wrote.

SHOP: Japan's Economy May Be Stalled, but There's a Silver Lining for Consumers

Continued from Page 1

Japan did a shop owner take off a price tag of \$100 and replace it with one of \$500 to make sure it flew off the shelf. This was ridiculous. Now things are more normal."

Economists continue to debate whether it is good or bad for Japan that the value of the dollar has risen 50 percent against the yen since 1995, and whether the once-mighty economy is just retreating or flat broken down.

But men and women shopping in Tokyo's neighborhoods say life, at

least for now, is as good as, or better than, ever.

"All this talk about the bad economy seems so distant to me," said Keiko Hatanaka, 28, who said her husband's salary as a real estate agent has gone up in the last few years while the price of items from apples to airline tickets had fallen.

Since only about 7 percent of Japanese people invest in the stock market, the recent dramatic dips in the stock market have not hit ordinary people, such as Mrs. Hatanaka. "I have no stock; it's had no effect at all," she said.

Mrs. Someya said that certain luxuries had gone the way of fat salary bonuses. For instance, her husband now gets her flowers for her birthday instead of expensive neckties. But she thinks she has gained more than she has lost in Japan's more consumer-friendly economy.

Many items still seem expensive to some visitors: A movie ticket can cost \$24, a bunch of grapes \$30, a cup of coffee \$5 or even \$10. But there is now an almost unheard-of opportunity to find discounts and to comparison-shop.

Browsing the aisles at Kou's, Mrs.

Hatanaka bought a television set, a half-pound (225 grams) of beef, a package of mince meat and bags of oranges, potatoes, onions and tomatoes. At a neighborhood grocery store, that would easily have cost her \$400, but at Kou's the total came to \$300.

Kou's is part of a trend in Japan toward more diversity and competition in merchandising.

In recent years, such U.S. retailers as Gap, Eddie Bauer, L.L. Bean and Toys 'R Us have opened stores in Japan, offering top-quality goods for prices that Japanese department stores cannot touch. Their success and a loosening of some government regulations have led to more discounting among Japanese retailers.

Kou's officials say they can offer discount prices because they follow the formula that U.S. wholesalers have perfected.

"Our mission is not to wait for prices to come down, but to bring them down," said Kozo Yamamoto, a spokesman for Daiichi, the giant supermarket chain that owns Kou's.

That's a revolutionary talk in Japan, where the government and large corporations have long cooperated to control prices.

BRIEFLY

Pope Mum on Jerusalem Visit

VATICAN CITY — Pope John Paul II on Monday received the Israeli prime minister, Benjamin Netanyahu, who again invited him to visit Jerusalem.

The Pope made no public commitment. After their private talks, which lasted 20 minutes, Mr. Netanyahu said to the Pope, "We look forward to receiving you in Jerusalem." John Paul responded, "God bless Israel."

The talks between the two men, who met for the first time, were thought to have focused on the status of the city and the progress of Mideast peace efforts.

Jerusalem is one of the most delicate issues in Mideast peace negotiations, and in relations between the Israelis and the Holy See. The Pope long has expressed a desire to visit the city, which is holy to Christians, Muslims and Jews.

The Vatican seeks a special "open city" status for Jerusalem, backed by international guarantees. Israel, which captured the eastern part of the city from Jordan in 1967, regards Jerusalem as its capital. (AP)

Train Crash in Egypt Kills 15

ASWAN, Egypt — At least 15 people were killed and 10 others injured when a cargo train ran into a passenger train Monday near the southern tourist town of Edfu, security sources said.

They said the passenger train, en route from Alexandria to Aswan, was stopped at the Radiessiyah station when the cargo train hit it from behind.

Rescue workers were still trying to remove the dead and injured from the two damaged rear cars of the passenger train, the sources said. (Reuters)

Battle Rages East of Bogota

BOGOTA — Heavy fighting raged Monday between government troops and leftist guerrillas in a mountainous area 50 kilometers (30 miles) east of Bogota, the authorities said, amid unconfirmed reports that 18 to 25 soldiers had been killed.

The battle started Friday near the town of San Juanito when about 50 troops of a counterinsurgency unit came under attack from guerrillas of the Revolutionary Armed Forces of Colombia.

The head of the Colombian military, General Harold Bedoya, said radio contact with the troops had been lost since midday Sunday, making it impossible to give casualties. But the newspaper El Tiempo reported that at least 18 soldiers had been killed in the attack, and the TV Hoy news broadcast reported up to 25 dead. (Reuters)

Ecuador Cabinet Shuffle Is Set

QUITO — President Abdala Bucaram has said he would change 60 percent of his cabinet on Thursday, the day after a general strike in Ecuador that has been called to protest his economic policy.

He said late Sunday the new cabinet ministers would "in some cases be independents, in others former politicians and former journalists, and in other cases members of some parties that are currently represented in Congress."

Mr. Bucaram is facing a storm of protest over austerity measures carried out since he came to power six months ago. He has also come under fire for naming friends and relatives to top government posts. (Reuters)

PAKISTAN: Victor Is Apathy

Continued from Page 1

Muslim League sweeping the populous Punjab Province and making inroads into Sind, Miss Bhutto's home province. And a likely Muslim League ally, the Awami National Party, was dominating North-West Frontier Province.

Military dictators have ruled Pakistan for nearly half of the 50 years since independence from Britain, and the army remains the most stable force in the developing nation of 130 million people.

Turnout among the 56.5 million eligible voters was about 30 percent, the lowest of seven national votes since Pakistan's first free elections, in 1970. The turnout amounted to a massive expression of dismay with the performance of three governments headed by Miss Bhutto or Mr. Sharif since democracy was restored in 1988.

"People are fed up with both major parties," said Hakim Bhatti, a herbal medicine specialist who did not vote in Rawalpindi, a gritty city near the capital, Islamabad.

The widespread perception that prime ministers and other elected leaders have used government to loot the country has reduced faith in democracy and inspired among some Pakistanis a nostalgic yearning for martial law.

A recent poll conducted for the monthly Herald magazine indicated that 95 percent of Pakistanis consider most of the nation's politicians to be corrupt.

But Western observers doubted that the nation's military leaders, who have sought international acceptance by taking part in United Nations peacekeeping operations, would reclaim direct control of the government.

"I think democracy is here to stay in Pakistan," President Leghari said Monday night.

The country's most prominent nonvoter may be Imran Khan, a former cricket star who ran for prime minister. His new party, Movement for Justice, campaigned against corruption and for government accountability, but did not field a candidate to represent Mr. Khan's ancestral village.

For that reason, Mr. Khan said, he did not vote Monday. In past elections, he said, he did not vote because he was out of the country playing cricket.

KOREA: North Aims to Turn Its Economy Toward the West

Continued from Page 1

According to a frank and detailed description of the country's economic plight monitored in Tokyo, the North Korean news agency, KCNA, said the population was suffering "temporary food problems."

As is known to all, North Korea has in recent years been repeatedly hit by unprecedented natural disasters, which greatly damaged agriculture and other sectors of the national economy and caused temporary food problems, the official press agency said.

The nation's annual demand for grain is about 7.84 million tons, of which 4.82 million tons is needed as

food," it quoted a statement from the Flood Damage Measures Committee as saying.

North Korea has twice delayed a U.S. meeting to discuss the start of peace talks for the region until a grain deal with an American company is consummated. It said the U.S. aid would help improve ties and hinted that the grain deliveries would bring the North to the peace meeting.

KCNA said Monday: "The U.S. administration recently announced that it would continue to take part in food assistance through international agencies."

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The 'Best International News' comes via the World's Daily Newspaper.

'Who's Who in Europe Survey' 1996

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

China Softens
Trade Stance

(Who are we to argue?)

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EDITORIALS/OPINION

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Next in the Mideast

The first weeks of 1997 brought clear evidence that the political leaders and people of Israel are ready to push ahead with the next moves toward building a Middle East peace. So too are the Palestinians and their leader, Yasser Arafat. The question now is whether Egypt and Syria have the courage and wisdom to join them.

In recent weeks Israeli troops withdrew from most of the West Bank city of Hebron. Prime Minister Benjamin Netanyahu of Israel and Mr. Arafat established a pragmatic working relationship and Israel's two main parties began to bridge their differences over peacemaking. Egypt mustered little enthusiasm for all this, and Syria, as its custom, remained coldly aloof. Egypt's president, Hosni Mubarak, and Hafez Assad, the Syrian leader, need to reassess their positions. By easing the path to regional peace, they could help bring increased security and prosperity to their countries as well as their neighbors.

There are some signs Mr. Mubarak may recognize that the peacemaking effort in Israel has reached an important new point. After weeks of urging Mr. Arafat to stiffen his bargaining position on Hebron, Cairo switched gears at the last moment and contributed to the final compromise. Sunday, Mr. Mubarak met Mr. Netanyahu at the World Economic Forum meetings in Davos, Switzerland, and encouraged expanded peace efforts.

But that is not enough. Egypt's largely negative role in the Hebron talks, along with an ugly anti-Israeli campaign in the government-influenced Cairo press, has badly strained relations with Israel.

Mr. Mubarak apparently concluded last year that the new Israeli government intended to freeze peacemaking efforts indefinitely. Since then Cairo has turned away from its earlier helpful role as a diplomatic bridge between Israel and other Arab countries. Instead, it has seemed intent on promoting Egypt's Arab leadership role at Israeli expense.

This may serve Mr. Mubarak's domestic political purposes, but it has damaged Egypt's standing with Israel and the United States. Cairo has also lost touch with the more realistic positions of Jordan and the Palestinians. Egypt should recognize that as the first Arab country to make peace with Israel, its natural leadership role is to lead the way to a wider regional peace.

Syria is now the focus of the Clinton administration's efforts to build on the Hebron agreement and will be high on the agenda of President Bill Clinton's meetings in Washington with Mr. Netanyahu and other Mideast leaders over the next few weeks. It has never been clear whether Damascus actually wants to reach a comprehensive peace agreement with Israel or simply feels a need to assure Washington it is prepared to pursue negotiations. But talks between Israel and Syria have been suspended for nearly a year, and with progress resuming on the Palestinian front, Mr. Clinton has committed himself to make a new push to get peace talks resumed.

Mr. Netanyahu has been less willing than his Labor predecessors to talk about returning the Golan Heights to Syria in exchange for full diplomatic and economic ties and reasonable security provisions. He also rejects Mr. Assad's unreasonable insistence on binding him to informal understandings reached between Syrian representatives and negotiators from the previous Israeli government.

Still, Israel seems prepared to reopen talks with Syria that could also include discussions of the Israeli military presence in southern Lebanon. If Syria made a show of goodwill by according to Mr. Netanyahu's plea to restrain Hezbollah units in Lebanon from their attacks on Israeli positions, progress on other issues could follow.

While Egypt and Syria worry about maintaining their leadership roles in the Arab world, they risk being left behind by political and economic forces that are reshaping the region. At some point they may find it impossible to catch up.

—THE NEW YORK TIMES.

Quit Making Excuses

At his news conference Wednesday, President Bill Clinton was asked whether a Chinese crackdown on civil liberties in Hong Kong would upset U.S.-China relations "in any way."

"Well, it wouldn't help anything," he began blandly. He then went on to muse about China's possible belief that it can crush Hong Kong's political freedoms while maintaining its economic vibrancy. You might think the United States, ostensibly the world's leading believer in a connection between prosperity and democracy, would have strong views on this proposition. Mr. Clinton's verdict? "I don't know if that's true or not. . . . It's a complicated society. And I'm not so sure that it can exist. . . . if the civil liberties of the people are crushed." Take that, Mr. Deng.

Hong Kong, currently a British colony of 6 million people, will revert to China in five months. Beijing has promised to safeguard its freedoms under the slogan "One country, two systems." But steps it has taken already put that promise in doubt. China has hand-picked a legislature to replace an elected council; it has signaled that it will roll back Hong Kong's bill of rights and other basic freedoms; it has warned that press freedom will no longer extend to attacking the leadership or advocating

Taiwanese or Tibetan independence. In response to all this, what Mr. Clinton should have said was this: The freedom of Hong Kong is important to us and all other free nations. If you abuse that freedom, it will affect our relationship. Moreover, you cannot maintain Hong Kong's economic vibrancy if you strangle the free flow of information and compromise the transparent and uncorrupt rule of law upon which a truly free market depends.

Why didn't he say that? Maybe it's because, despite all the talk of a "multifaceted relationship," all the Clinton administration really cares about is trade. But maybe it's because Mr. Clinton truly believes, as he said later in the same news conference, that the advance of liberty in China is "inevitable." —Just as, eventually, the Berlin Wall fell. In fact, the Berlin Wall, and communism in Eastern Europe, fell for many reasons, but certainly among them were the campaigns for human rights behind the Iron Curtain and the strong support they received from the West. We fear there is nothing inevitable about democracy coming to China. But if you say it is so, you give yourself the perfect excuse not to take the hard steps that might make democracy more likely.

—THE WASHINGTON POST.

A Troubling Figure

Weakened by declining membership, financial problems and an abysmal public image, the National Rifle Association is facing a takeover by a far-right faction known for counting armed militias and other extremists. The showdown is expected at a board meeting later this month, when the current executive vice president, Wayne LaPierre Jr., could be ousted by his longtime rival, Neal Knox, a troubling figure if ever there was one.

Mr. Knox's rise to the organization's top administrative post would drive the group further toward the fringe, weakening what is left of its connection to the American mainstream and to its distant origins as a legitimate organization for sportsmen. Mr. Knox has been a dark force in the NRA since his days as the group's chief lobbyist. He was kicked out of that job in 1982 and expelled from the board in 1984 for "extremism." He clawed his way back, using a wrathful

column written for a national gun magazine as his platform. He sees conspiracies everywhere. According to The Washington Post, he once suggested in his column that the assassinations of the Kennedys and Martin Luther King Jr. had been staged to build public support for gun control "for the purpose of disarming the people of the free world."

Mr. Knox is on record as supporting repeal of the Brady Law governing handgun purchases and the ban on assault weapons, and for wanting to legalize even fully automatic weapons. The NRA is in trouble today because, years ago, it exchanged its mission as a sportsmen's organization for its role as gun lobbyist, alienating its moderate members and the American public in general. The elevation of Mr. Knox will not make the NRA any more lovable. On the other hand, it could hasten its extinction.

—THE NEW YORK TIMES.

'Please Use Your Liberty to Promote Ours'

By Daw Aung San Sun Kyi

The writer is a Nobel Peace laureate and leader of the opposition National League for Democracy in Burma.

RANGOON — Those of us who decided to work for democracy in Burma made our choice in the conviction that the danger of standing up for basic human rights in a repressive society was preferable to the safety of a quiescent life in servitude. Ours is a nonviolent movement that depends on faith in the human predilection for fair play and compassion.

Some would insist that man is primarily an economic animal interested only in his material well-being. This is too narrow a view of a species which has produced numberless brave men and women who are prepared to undergo relentless persecution to uphold deeply held beliefs and principles. It is my pride and inspiration that such men and women exist in my country today.

In Burma it is accepted as a political tradition that revolutionary changes are brought about through the active participation of students. The independence movement of our country was carried to a successful conclusion by young leaders, including my own father, General Aung San, who began their political careers at Rangoon University. An institution with such an outstanding reputation for spirited opposition to established authority is naturally a prime target for any authoritarian government. The Burmese military regime which assumed state power in 1962 blasted the Rangoon University Students' Union building out of existence within a few months of taking over and made it illegal for students to form a union.

In 1988 the people of Burma rose up

against the rule of the Burma Socialist Program Party, the civilian cloak of a military dictatorship. At the vanguard of the nationwide demonstrations were students who demanded, among other basic rights, the right to form a union.

The response of the military junta was to shoot them down. More than eight years on, the students of Burma have still not relinquished their quest for an association that would promote their interests and articulate their aspirations and grievances.

As recently as December, there were student demonstrations where the call for the right to form a union was reiterated. The security forces used violence to disperse the demonstrators, and a number of young people from my party, the National League for Democracy, were arrested on the grounds that they had been involved in organizing the demonstrations. I was accused of having discussions with the students.

Things have indeed come to a sorry pass in a country if meetings between politicians and students are seen as acts of subversion. My party has never made a secret of its sympathy for the aspirations of students. We work to forge close links between the different generations so that a continuity of purpose and endeavor might be threaded into the fabric of our nation.

When we are struggling against over-

whelming odds, when we are pitting ourselves against the combined might of state apparatus and military power, we are sometimes subject to doubts — usually the doubts of those whose belief in the permanence of an existing order is absolute. It is amazing how many

Business investment in Burma helps only an already wealthy elite.

people still remain convinced that it is wise to accept the status quo.

We have faith in the power to change what needs to be changed but we are under no illusion that the transition from dictatorship to liberal democracy will be easy, or that democratic government will mean the end of all our problems. We know that our greatest challenges lie ahead of us and that our struggle to establish a stable, democratic society will continue beyond our own life span.

But we know that we are not alone. The cause of liberty and justice finds sympathetic responses around the world. Thinking and feeling people everywhere, regardless of color or creed, understand the deeply rooted human need for a meaningful existence that goes beyond the mere gratification of

material desires. Those fortunate enough to live in societies where they are entitled to full political rights can reach out to help their less fortunate brethren in other areas of our troubled planet.

Part of our struggle is to make the international community understand that we are a poor country not because there is an insufficiency of resources and investment, but because we are deprived of the basic institutions and practices that make for good government.

There are multinational business concerns which have no inhibitions about dealing with repressive regimes. Their justification for economic involvement in Burma is that their presence will actually assist the process of democratization.

But investment that only goes to enrich an already wealthy elite bent on monopolizing both economic and political power cannot contribute toward equality and justice — the foundation stones for a sound democracy.

I would therefore like to call upon those who have an interest in expanding their capacity for promoting intellectual freedom and humanitarian ideals to take a principled stand against companies that are doing business with the Burmese military regime. Please use your liberty to promote ours.

This comment was adapted by the International Herald Tribune from a commencement address by the writer to the American University in Washington. The address was delivered last week on her behalf by her husband.

Imagine It's 2007 and an Enlarged Europe Basks in Prosperity

By George Soros

DAVOS, Switzerland — The Europe of 2007 is larger, more united and more prosperous than could have been expected at the beginning of 1997. Its territory extends not only to Central Europe but also to the Baltic states. Not only does it have a common currency but also a common fiscal policy which serves two objectives: to counter cyclical variations and to even out divergences among individual states. The Union acts with a single voice in foreign policy. It has a constitution which makes the European Commission responsible not to the Council of Ministers but to the European Parliament, and the Council of Ministers acts as the upper house of the European Parliament. The principle of subsidiarity prevails and legislation which impinges on national sovereignty must receive two-thirds support in both houses.

There is close political and military cooperation with the United States on the one hand and Russia on the other. The eastward expansion of NATO has been accomplished by a grand alliance between NATO and Russia. The Grand Alliance is part of a system of alliances which assures peace and stability in the world. How did this miraculous state of affairs come about? It all started in 1997 when the people of Europe realized that the future of the European Union was in danger. There was too much emphasis on the common currency and not enough on the political integration of Europe. The people of Europe were feeling increasingly alienated because decisions were foisted on them by governments that seemed insensitive to their concerns.

The common currency was moving forward with the force of a steamroller, although the French public was preoccupied

with the problem of unemployment and tended to blame the common currency for its persistence, and the German public was reluctant to see the stability of the Deutsche mark diluted by a European central bank which included the Mediterranean countries. Those countries, particularly Italy, had so much to gain from the common currency that they were determined to be included in the first round.

To make the introduction of the euro palatable to its voters, the German government had insisted on a very tough stability pact. Thoughtful people realized that without any leeway in either monetary or fiscal policy, unemployment could not be reduced. To stimulate employment, rigidities in the labor market would have to be removed and the very onerous taxes imposed on wages would have to be reduced. That would

cause a temporary rise in the budget deficit which was not permitted under the stability pact. There was a danger that the Union would be sacrificed on the altar of the common currency. It was as if Keynes had never lived. If you recall, it was Keynes who warned against the adverse effects of England going back on the gold standard in 1926.

Against this background, some leading citizens of Europe initiated a public debate on the future. It encountered a remarkably strong response. It led to a Congress of Europe in May 1998, on the 50th anniversary of the first Congress. A Declaration of Interdependence was adopted which spelled out the political foundations of the European Union. The Declaration played a major role in the elections for the European Parliament in 1999, and, bowing to public pressure, the governments of Europe yielded greater power to the European Parliament. I don't remem-

ber whether this was accomplished by a treaty or by the Parliament converting itself into a Constitutional Assembly. But one way or another, the new constitutional structure that I described before emerged.

Fortunately, 1998 showed some economic pickup because of the reduction in interest rates which occurred in 1996, and so the introduction of the common currency went off without a hitch. In the year 2001 or 2002, I don't remember which, renewed economic weakness led to the abandonment of the stability pact and it was replaced by a common fiscal policy which succeeded in stimulating the economy by reducing the taxation of wages. That is how we scraped by and reached the benign conditions of the year 2007.

This comment, provided to the International Herald Tribune, was the text of a speech given by the writer at the World Economic Forum.

Back in the Difficult Present, Will the Euro Ever Materialize?

By William Pfaff

DAVOS, Switzerland — A year ago there was virtual unanimity in Western Europe on the inevitability of the common European currency.

Today this is no longer the case. Or to be exact, there no longer is confidence that the "euro" will arrive on time, on the terms now established, which are essentially those of the German central bank, the Bundesbank. However, if those terms are not accepted, will Germans themselves accept the euro?

A reasonable expectation is that there will indeed be a euro, but one under greater political influence than in the existing program.

This is what the French propose. However, the head of the Bundesbank, Hans Tietmeyer, says that "the treaty is the treaty," and in an interview with the International Herald Tribune (Jan. 20) cited the statement of his predecessor, Karl-Otto Poehl, that an inde-

pendent central bank is a crucial element in a single currency. It thus also is possible that the common currency's arrival will be postponed because of a scandalously belated recognition of the problems entailed in reconciling the positions defended by the two most important of the euro's founding members.

The positive scenarios for the currency are dramatic indeed: a powerful rival to the dollar in international commerce and finance, perhaps the successor to the dollar. Raw materials and energy, perhaps more, eventually denominated in euros. Boom in Europe because of reduced costs in doing transnational business, and the advantages of conducting external trade in a powerful common currency. New dynamism in Central European economies annexed to the expanding West European economy.

Getting from here to there, though, can no longer be seen in the simplistic terms common a year ago. The single market had been easily achieved; why not the single currency? The reasons are many.

"The serious discussion has only begun," a French economist, Jean-Jacques Rosa, wrote in the Figaro newspaper recently. "The object of the debate is simply what no one until now has decided: What is this euro to be? A duplicate of the Deutsche mark, or a more flexibly managed money?"

The Bundesbank position is clear. It has to be an internationalized Deutsche mark, "as strong or stronger" than the mark. The German public, already doubtful about this new currency, will accept no less — or so we are told.

The problem lies in France, and to a lesser extent in the other

countries not now in the Deutsche mark zone but eager to join the single currency. France's currency has been pegged to the mark since the 1980s, because France has wanted to make an international demonstration of the rigor of its economic management. It has unquestionably succeeded. But France also wants the euro managed in a way that pays attention to the real economy in the member states, and to growth and employment there.

This is a confrontation that until now everyone has pretended not to notice. Even now, with the problem out in the open, too many are choosing to respond with solutions that are currently unrealistic.

Mr. Rosa concludes his analysis by saying that the euro, like every other money in the world, has to be controlled by a single government.

A former member of the Council on Monetary Policy of the Banque de France, the French central bank, Jean Boissonnat, says the same thing.

"Without European economic government the euro is in danger of exploding. I am not sure that Europe's leaders realize the scale of the changes awaiting us."

But everyone knows that be-

tween now and 1999, when the euro is to come into existence, no central European politico-economic authority is going to be created. Mr. Rosa proposes that the whole thing be delayed, while experts are put to work to think through how this European economic authority is going to be created.

One wonders, however, if experts are really going to solve the problem. It is not a technical problem; it has to do with the fundamental issue of sovereignty. A European economic authority separate from a political authority is hard to imagine. Yet a real government able to set Europe-wide budget and financial policies, and deal with the social consequences of certain budget decisions, is not in the cards. Least of all at a moment when the European Union says that it is about to expand eastward.

Yet if the problems surrounding the euro cause the common currency program to be postponed, will it ever happen? Good Europeans like to say that unification is like bicycling; if you don't keep going, you fall over. But what if you have taken the wrong track and have run into a wall?

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In Israel, Economy Over Ideology

By Yaron Ezrahi

JERUSALEM — On the same day the Hebron agreement was signed by Benjamin Netanyahu and Yasser Arafat came another piece of significant, if overshadowed, news: The International Monetary Fund announced it would reclassify Israel as an economically advanced state, adding its name to the prestigious list that includes the United States, Japan and Singapore.

A country becomes eligible for this exclusive club when the service sector becomes the dominant factor in the national economy. This means that the citizens function more as consumers and producers than as soldiers.

Both the Hebron agreement and the IMF decision on Jan. 15 reflect Israel's readiness to choose the economy over ideology, and the fact that a growing number of Israelis want to balance the collective aspirations of the nation with the quality of individual civilian lives.

During the Israeli elections last year, Mr. Netanyahu promised to do what proved to be impossible: realize Israel's collective aspirations by being tough on the Arabs and improve the nation's economy by privatizing enterprises under state control, including the health,

electric and transportation industries.

These were contradictory aims because to complete the privatization, Mr. Netanyahu needed foreign investment. Yet two months after his election, the Tel Aviv stock market lost 16 percent of its value, largely because of concern that his economic policies would clash with his nationalistic politics.

And in September, violence by Palestinians protesting the opening of an archaeological tunnel in Jerusalem's Old City persuaded many big foreign investors to freeze their plans.

These events forced Mr. Netanyahu to resolve his contradictory campaign promises by signaling to Wall Street that he would choose peace over ideology. Indeed, in the two days after the Hebron pact was signed, the Tel Aviv stock market rose by 3 percent.

The agreement also symbolizes Israel's new identity. Both Mr. Netanyahu and the late Yitzhak Rabin embraced the peace process reluctantly. But Mr. Rabin, the most revered warrior in Israel's modern history, was converted to it on the

battlefield, when he saw the tragic price paid by his soldiers. For his part, Mr. Netanyahu was converted to it by mounting pressure to pump up Israel's economy.

Mr. Netanyahu defended his decision to sign the Hebron accord as a capitulation to necessity. This is true. But for many Israelis, the agreement was also a moral choice between the nonviolent challenges of the global marketplace and the bloody challenges of the battlefield.

Most Israelis have come to realize that the desire for a decent life has been deferred too long by the demands of the struggle to return to the Holy Land.

The Hebron agreement allows Israelis to begin focusing on the prosaic concerns of daily living. This may be less than inspiring for religious and nationalistic Jews, but for the rest of us the agreement is a high point in the struggle to free our country from the dangerous messianic dream of restoring the old kingdom.

The writer, author of the forthcoming "Rubber Bullets: Power and Conscience in Modern Israel," contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Caspian Railway

ST. PETERSBURG — A great deal of energy has been shown in pushing forward the railroad from Samarkand to Tashkent. An Imperial ukase has just been issued approving the decision of the Committee of the Ministers of the Council of State to complete with the least delay possible the prolongation of the Trans-Caspian railroad. The work should be completed in three years and a half.

1922: 'Fumata' Watch

ROME — Crowds assembled in the Piazza San Pietro to await the result of the first voting for the election of the new Pope by the Cardinals. Twice a day, people watch for the "fumata," or smoke, issuing from a small chimney of the Sistine Chapel, which reveals whether the Pope has been elected or not. After each scrutiny the votes are burnt

in a special stove by the master of ceremonies. If the result is negative, some moist straw is mixed with the ballot papers, and the consequent dark hue of the "fumata" gives the required intimation. But if the pope has been elected, dry straw is used, and then thin white fumes announce the news.

1947: Dutch Gold

WASHINGTON — German documents recently discovered in the Russian Zone show that the Germans in war-time transactions with the Swiss sent nearly \$70,000,000 of Dutch gold to Switzerland, which the Swiss accepted as part of German gold stocks. The Allied governments waived further claims of this nature in Switzerland. American officials are considering approaching Britain and France as to the possibility of making a moral appeal to Switzerland on this Dutch gold.

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OPINION/LETTERS

In Banking Brouhaha,
Swiss and Jews Benefit

By William Safire

DAVOS, Switzerland — Professionally neutral Switzerland, and especially its secretive banking system, has come under fire for committing the greatest sin a banker can be charged with: not protecting the assets of its depositors, in this case the money of European Jews entrusted to Swiss safekeeping during the Holocaust.

When the World Jewish Congress and U.S. Senate banking committee led by Alfonse D'Amato asked searching questions about the missing assets, Swiss bankers reacted guiltily, arrogantly and stupidly. They stonewalled for a year; one of their diplomats planned to launch a public-relations "war" against those demanding an accounting; one big bank was caught shredding records that might prove embarrassing.

Things got a little ugly last week with politicians threatening a New York boycott against Swiss banking (though nobody was prepared to cut down on Swiss chocolate), while the Swiss press (which had courageously ferreted out the bellicose diplomat's internal memo) reported threats of a wave of anti-Semitism if this publicity gave Switzerland a black eye.

Isn't this terrible? No. This is good for all concerned. It's good for this generation of Swiss, who can at last look their nation's past in the eye. Neutrality was better than Nazi occupation; it meant helping both Axis and Allies (with Allen Dulles of the American Office of Strategic Services operating a valuable listening post in Switzerland). And if belated restitution of misappropriated deposits assuages this generation's conscience, let it be pay-back time.

It's good for Swiss banking. Rainer Gut, head of Credit Suisse, stepped in to stop the stalling by calling for creation of an initial fund to start restoring the nation's reputation for integrity. That broke the logjam; he understands his industry's need for global trust.

Now Paul Volcker, a former U.S. central banker who has everyone's trust, can assess the depth of the debt without the harassment of the secrecy-prone. It's good for the Jews. And not

just in the partial justice to a massacred generation, with attacks of conscience now extending to French museums that have artworks appropriated from Jews. It's the end of the don't-make-trouble syndrome.

Macabre old joke: Two Jews are lined up against a wall to be shot. When one asks for a blindfold and a last cigarette, the other whispers to him, "Don't make trouble."

I ran into the Nobel Prize-winning apostle of remembrance, Elie Wiesel, here at the Davos economic forum, and asked him about the presumed reaction by some angered Swiss against local Jews.

"Anti-Semites don't need an excuse to be anti-Semitic," he replied with equanimity. And the Jewish leaders here are not intimidated by the veiled threats of backlash. Times — and Jewish attitudes — have changed.

One reason for the end of the craven don't-make-trouble syndrome is the existence of a strong Israel. And the current diplomatic and banking dispute about economic justice for dead depositors is good for that nation, too.

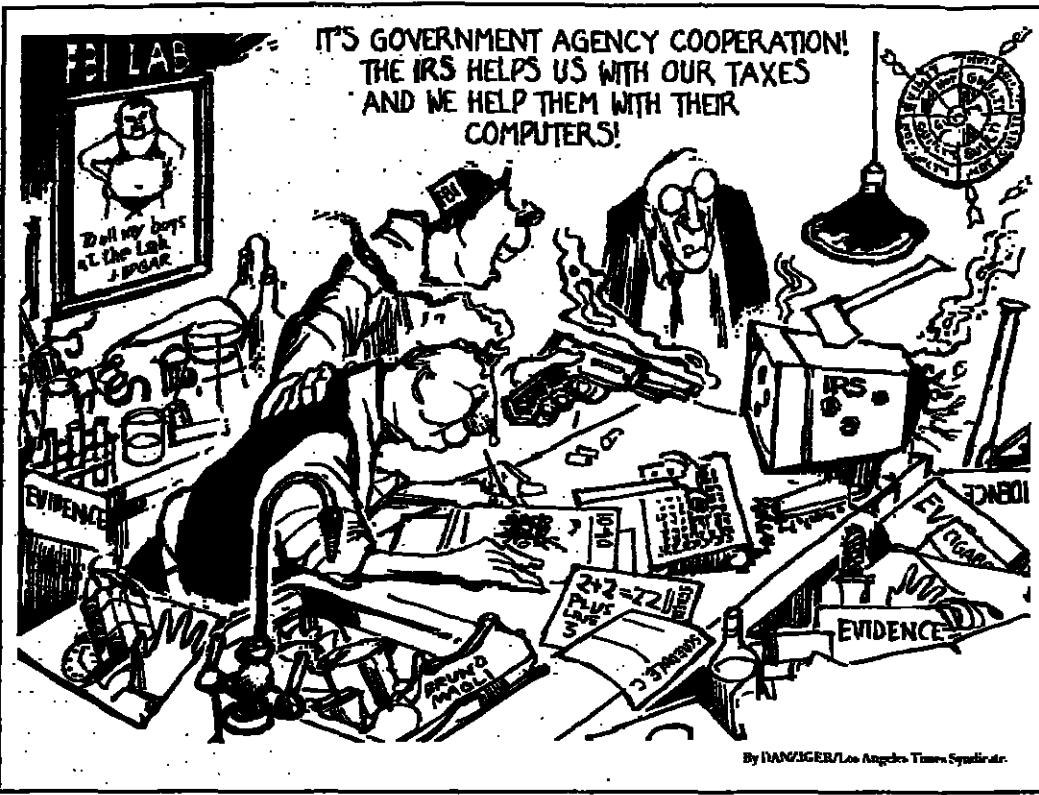
That's because the Swiss president, Arnold Koller, has a counterpart to deal with on this issue. Prime Minister Benjamin Netanyahu of Israel is here, inviting investors to build plants in Israel and lobbying European leaders to provide Palestinians with sophisticated border-checkpoint equipment to deter terrorism.

In his meeting with Mr. Koller, Mr. Netanyahu said that Switzerland could not leave this as a mystery — that it was best to calm the passions but get to justice. Mr. Koller pledged full cooperation in uncovering the truth and has spoken out against anti-Semitism. Committees of the Knesset and Swiss Parliament will work together.

"You can't bring back the 6 million," Mr. Netanyahu told me Sunday night, "but you can do the morally decent thing for victims fast disappearing."

"The time has come to do justice to the truth. That's what we expect of Switzerland, and I was assured that's what Switzerland will do."

The New York Times.



By DAN MCGEE/Los Angeles Times Syndicate

LETTERS TO THE EDITOR

Culture or Culture?

Regarding "Pop Culture's to Blame When Young Don't Learn" (Meanwhile, Jan. 9) by Jane K. Strauss:

My 12-year-old son attends a prestigious English-language school in Europe. He is shocked because the other students are so "rude," by which he means that they constantly lace their conversation with gratuitous obscenities picked up from compact disks and videos. Teachers' effort to curb this, as Ms. Strauss avers, both time-consuming and ineffective.

Most pop culture is "Made in America," so there is a particular onus on Americans to support Ms. Strauss's call to action. But Europeans also must voice their opposition to this offensive material, fight the peer pressure that coerces children to buy it and imitate it, and protest to the companies that sell it.

MARTIN BARBER,
Sarajevo, Bosnia-
Herzegovina.

Rather than trying to hide artist-expression from the hungry eyes and ears of children, as Ms. Strauss suggests, a more astute course of action for schools would be to use such expression as a starting point for the teaching of informed, in-

telligent ideas about sexuality and violence in our culture.

When artistic expression is involved, not all vulgarity or violence or sexuality is gratuitous. It does not help Ms. Strauss's argument that she holds the First Amendment in contempt. And it would not hurt her to acknowledge that there must continue to be forums for adults to learn from art that has not been "edited" to remove a powerful part of the artist's message.

MASON COLBY,
Paris.

People and Politicians

Regarding "Yes, America, a Single Currency for the Coming Superpower" (Opinion, Jan. 16) by Roy Denman:

Sir Roy has no conception of how unattractive the terms are in which he presents the case for European integration. He writes that the British are hostile to a single European currency because their press has convinced them that "European integration is a plot for the takeover of Britain by heel-clicking Gauleiters."

He later concedes that German opinion is also divided on a joint currency, before adding with obvious admiration, "but issues of this kind are not decided there by

public opinion polls but by the political class." So Germany is no longer ruled by Gauleiters; it is ruled instead — as the European Union of Sir Roy's dreams no doubt would be — by a "political class" heedless of the views of ordinary citizens. No Fleet Street Europhobe could have made the point more eloquently.

GEOFFREY WHEATCROFT,
London.

Sir Roy seeks to dismiss legitimate concern about the direction Europe is moving in by implying that anything other than unconditional acceptance of the decisions taken by the "political class" — as opposed to the people — is a sign of infantile fear.

The irony here is that Sir Roy's article appeared only days after the German government decided to impose visa requirements on children born and brought up in Germany — mostly of Turkish origin — who do not satisfy the racially based criteria for German citizenship.

By subjecting a vulnerable section of the population to this malicious requirement, the "political class" in Germany has shown that fear of "Gauleiters" is by no means irrational or infantile.

AIDAN KENDRICK,
Munich.

'Baghdad by the Bay'
Loses a Beloved Voice

By Paul Farhi

WASHINGTON — The signal attribute of the daily newspaper column is whether it is indispensable, whether, in the parlance of "The Front Page," it "begs to be read" each morning. Herb Caen wrote a column like that.

For 58 years — a time so long that it's not just a record for an

MEANWHILE

American newspaper column but a triumph of human endurance — Mr. Caen pounded out columns for the San Francisco Chronicle and, briefly, the rival Examiner. He was often a hack (a writer can't avoid that in 16,000 columns), though more often he manufactured words and images with the ringing clarity of poetry. Either way, if you lived in San Francisco, you had to read him. Mr. Caen, who died Saturday at 80, was indispensable.

Mr. Caen wrote six columns a week for the Chronicle, all of them about his adopted city (he was born in Sacramento).

To an outsider, the column's appeal may have been inexplicable. Certainly, it didn't travel well beyond San Francisco, nor was it meant to.

Mr. Caen was like an old friend who dropped by each morning for coffee, come to tell you some hilarious tidbit or idiosyncratic piece of gossip gleaned from his carousing the night before. Reading Mr. Caen, you never felt like you lived in something so alien as a city; you lived in, were part of, a town.

Mr. Caen actually wrote two kinds of columns, each distinct in tone and temperament. The first were his five-times-per-week "items" columns that brimmed with quips and puns, short observations and news blurbs — "scoops," he called them — that often (though not always) turned out to be dead-on accurate. Mr. Caen modeled these columns on Walter Winchell's rat-a-tat-tat style, each item separated by an ellipsis. Like the legendary Winchell, his daily output came from an amazing network of tipsters. He could also be unsparingly funny; once, when the columnist Warren Hinckle left Mr. Caen's Chronicle for the Examiner, Mr. Caen observed that

Mr. Hinckle's departure "would raise the intelligence level of both newspapers."

Mr. Caen's weekday columns were also the defining scorecard for who was up or down politically. Willie Brown, the former speaker of the California Assembly and now San Francisco's mayor, made frequent appearances in the column, whether pushing some bill or buying expensive suits at the tony men's shop Wilkes Bashford (owned by another friend of Mr. Caen's and also plugged unmercifully in his column). He could be less than charitable in adjusting to yet another of the social waves that have periodically lapped over San Francisco — the "beats" of the 1950s (Mr. Caen is credited with coining the term "beatnik"), the hippies of the 1960s, the gay and women's movements of the 1970s and beyond.

The more endearing — and ultimately more enduring — Mr. Caen is the one who came to our doorstep every Sunday morning. Mr. Caen's Sunday column abandoned the three-dot format for a lyrical, impressionistic love note to his city. These were filled with images of street scenes, of clattering cable cars and the sound of the foghorns on Alcatraz. In one of these "Baghdad by the Bay" pieces, Mr. Caen describes a party at the office of the lawyer Melvin Belli that is interrupted by the sound of a car crash in the street: "An ambulance crew tenderly pries the victim out of her car. She is wearing a black dress and pearls, and a stole is strewn on the front seat. So she was on her way to dinner, to meet her date. The lawyers stand and watch, still sipping their drinks, as the ambulance pulls away. Through the crowd walks a Chinese boy, a wooden box under his arm, and he is chanting, 'Shine, shine, shine, you want a shine,' and you wonder who was waiting where for the girl in the black dress and pearls."

That Sunday column is from 1961. There were hundreds more to follow. There was a similarity about them, although close readers could see how Mr. Caen's love for his adopted city had grown more complicated with time. It's as good a chronicle of one man and one town as there may be.

The Washington Post.

BOOKS

FOR THE HELL OF IT: The Life and Times of Abbie Hoffman
By Jonah Raskin. 315 pages. \$24.95.
University of California Press.

Reviewed by Jonathan Yardley

ABRAHAM (Abbie) Hoffman was born in 1936, the child of Russian Jewish parents who had made a decent life for themselves and their family in the Massachusetts manufacturing city of Worcester. There was little in his childhood to suggest that three decades later he would become one of the paradigmatic figures of the social and cultural rebellion of the 1960s and 1970s. His relationship with his father was tense, but otherwise, Jonah Raskin writes, "he seemed to grow up happy

and carefree," the "epitome of the nice Jewish boy," a modest rebellious streak being the only hint of things to come.

But the 1960s transformed a great many people in ways that would have been utterly unpredictable only a few years earlier. It may seem odd that Abbie Hoffman, in many ways conventional as well as deeply attuned to his Jewish heritage, should have turned into the calculatedly outrageous leader of Yippies, "a put on and a prank" that became one of the decade's more widely publicized counterculture organizations, but the upheavals of the period enlisted a great many unlikely leaders and followers. The truth, as Raskin's sympathetic but dispassionate biography suggests, is that Abbie Hoffman was a bomb waiting to be detonated.

There were at least three aspects of this bright young man that, at least in hindsight, we can identify as ingredients for an unusual life. One was the deep internal conflict between the straight life lived by his father, a man he simultaneously admired and resented, and the rebellious instincts within himself. A second was his infatuation with the movies, his sense of life "as a movie" — a common American phenomenon, by the way — and his innate understanding of how the mass media operate.

The third, and overall the most important, was the Bipolar Disorder, more commonly known as manic depression, from which he apparently suffered. Almost from the beginning but more and more so as he grew older and the illness was neither identified nor treated, Hoffman was subject to wild mood swings. In his manic period he was king of the Yippies, star of street theater, leader of the Flower Brigade, literal and figurative outlaw.

This was the Abbie Hoffman whom the nation saw nightly on the news, an engagingly outrageous and in-your-face radical whose antics and posturings were just what television was made for, a reality of which he was keenly aware. He had many moments at center stage, none more dramatic than the streets of Chicago during the 1968 Democratic Convention; a psychiatrist who examined him a decade later concluded that during the convention Hoffman's "behavior was out of control and was no longer calculated, or for deliberate effect, but . . . deteriorated into fragmented, irrational and at times delusional proportions entirely inappropriate to the occasion."

In his depressed periods, which became more and more common later in his life, Hoffman was an entirely different man. Well before he achieved his brief notoriety, living in New York and making his way through its radical underground, he wrote letters that were "introspective, moody, insecure and full of sadness."

In 1979, the same psychiatrist quoted above "noted that Abbie evidences mental and motor retardation, that his every move seems painfully slow, and that he speaks in such a low voice that one finds oneself moving closer to hear." It was while he was in such a state, in April 1969, that Hoffman laced a glass of Scotch whisky with phenobarbital and killed himself, a departure for which he had long been preparing.

That Hoffman was the victim of a physiological illness having profound behavioral and emotional effects was not conclusively proved, but all the evidence points to it. "How and why he became a radical isn't entirely clear because he obscured his own political evolution," Raskin writes.

It may have been purely accidental that this troubled man came to a semblance of maturity at a time when the country was ready to pop wide open. There can be no doubt that he seized the day.

Jonathan Yardley is on the staff of The Washington Post.

CHESS

By Robert Byrne

GARRY Kasparov beat Veselin Topalov in Round 1 in the Las Palmas International Tournament.

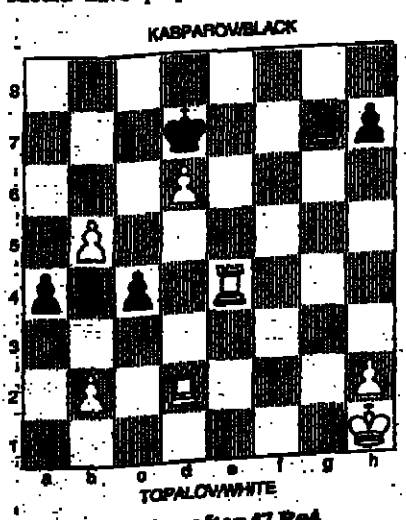
Against the Catalan Opening with 3 g2, Black can meet the pressure of the fianchettoed white king bishop by aiming to destroy the pawn center with 7...dxc and 8...e5 or by bolstering the center with 8...c6, as Kasparov did.

With 10 Nd3, White hopes to keep the board crowded to favor his advantage in space, but the knight is clumsy at this post.

Kasparov's 12...Ba6! forced the equalization of the center with 13 cd cd. Kasparov's 21...b5! was challenging in letting Topalov attack in the center with 22 Bc4 bc 23 e4. He relied on counterattack with 23...Bf6.

Since 24 e5 Bg5 25 Nc2 Bb8 would have taken the fight away from the center and on the b file, where Kasparov was strong, Topalov played 24 cd Nd4. He avoided opening the center further with 25 de 26 Qe4 because 26...Rf6 would have given Kasparov the superior piece play.

Perhaps, after 31 Kh1, Kasparov should have prepared his attack with



31...h5? When he advanced at once with 31...e4, Topalov broke up the black pawn formation with 32 g4 Kh8 33 gf and got into an endgame with 33...Qg2 34 Kg2 Nf5 35 Kh1. Perhaps Kasparov stood slightly better after 35...Nd6, but Topalov should have been able to make a draw.

The mini-computer Fritz, a former world champion, gave 38 Nb5 Nb5 39 ab Rh5 40 d6 Rb2 41 d7 Rb8 42 Rc4 Rd8 43 Rc8 Rff8 44 Recl Kg7 45 Rg1 Kh8 46 Rgc1 Kg7 47 Rg1 with a draw by repetition.

After 46...Rg7, Topalov could probably have drawn with 47 h3. Thus, 47...Rb3 48 Re4 Rh3 49 Rh2 Rb3 50 Rc2. But he fell into Kasparov's trap with 47 Re4? a3! and after 48 Re7 Re7 49 de Ke7 50 ba Rb1 51 Kg2 c3!

White's endgame was lost.

After 59...Rc5!, Topalov staved at 60 Re5 Kc5 61 a7 c1Q 62 a8Q Qh1! and gave up.

CATALAN OPENING

White	Black	White	Black
Topalov	Kasparov	Topalov	Kasparov
1 d4	Nf6	31 Kh1	e4
2 c4	e6	32 g4	Kh8
3 g3	Bb4	33 gf	Qg2
4 Bg2	Be7	34 Kg2	Nf5
5 Bg2	e5	35 Kh1	Nb6
6 Nf3	e4	36 Re1	Rf4
7 d4	e5	37 a4	Rb6
8 Qc2	e6	38 Re2	Kg7
9 Nc3	Nd7	39 Rcl	Rb4
10 Nb5	Bd7	40 Nb5	Nb5
11 Rd1	a5	41 ab	Kf7
12 a3	Ba6	42 d6	Ke6
13 cd	cd	43 Rd2	Kf7
14 Be3	Ra7	44 Rg1	Rf7
15 Ne3	Rc7	45 Re1	a4
16 Bf4	Rc8	46 Re3	Rg7
17 Bf6	Nb8	47 Re4	a3
18 Rcl	Nc6	48 Re7	Re7
19 e3	Sc4	49 de	Ke7
20 Bf1	Qd7	50 ba	Rb1
21 Nf4	b5	51 Kg2	c3
22 Bc4	bc	52 Re2	Kf6
23 e4	Bf6	53 Kf3	Kd5
24 ed	Nd4	54 a4	Sc4
25 Qe4	e5	55 e5	Rb5
26 Nb5	Bg5	56 e6	Ra5
27 f4	a5	57 Re4	Kd6
28 Qe2	Q7	58 Re3	c2
29 Ng7	Q7	59 Re2	Rc5
30 fg	Q5	60 Resigns	

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Style

TOMORROW
STAGE



Stefano Nicolao, center, surrounded by his expert helpers at the atelier; the Caffè Florian in Venice provides the perfect backdrop for these 18th-century costumes.

When Life's a Carnival, Venetian Tailor Is the Designer

By Roderick Conway Morris
International Herald Tribune

VENICE — One of the most enduring and productive offshoots of the spontaneous, grassroots revival of the Venice Carnival in the late 1970s was the creation of Nicolao Atelier, a sartorial box of wonders, a few minutes' walk from the Rialto Bridge.

This year's Carnival, which marks the 200th anniversary of the last one before the fall of the Venetian Republic (and runs until Feb. 11), will undoubtedly be infused with nostalgia for the much-lamented (by the Venetians, at least) ancien régime. And, if you see some reveler dressed in stylish 18th-century costume, whether as a gondolier or grande dame, the chances are that the clothes were made by Stefano Nicolao and his dozen expert and nimble-fingered helpers.

Although Nicolao still regards himself as primarily a cinematic and theatrical

costumer for any historical period — his costumes for the recent film "Farinelli" won a string of awards — he also has an ever-increasing stream of private clients coming to ask for pieces for evening and even day wear.

"I think I must be the only tailor in Venice who isn't the son or daughter of a tailor or dressmaker," said the tall, blond and bearded, Venetian-born Nicolao, at his workshop on the eve of Carnival last week. "I started by studying theatrical design at the Fine Arts Academy here in Venice, but before finishing went on the stage as an actor. I realized after a while that I was really more interested in what went on backstage, and I had the opportunity to work at the city theater in Trieste and learn the tricks of the trade. To my amazement, I was then asked to run the costume department, which was a rather frightening prospect, but I took the plunge and accepted."

In the first years of the revival of the Venice Carnival, there were dozens of

different theater groups performing, not to mention a sudden rise in demand for costumes generally, and this gave me the chance to return to live and work in my hometown, something I'd always wanted to do."

International commissions followed, including making costumes in the Himalayas for the "Marco Polo" film spectacular. "It was an extraordinary experience," he said. "We were trekking and riding on ponies at over 3,500 meters, working with authentic natural materials, and dying, cutting and sewing with no electricity in places where life had hardly changed since Marco Polo's day," Nicolao said.

Among his somewhat less arduous subsequent tasks has been the making of some exceptionally sumptuous Renaissance costumes for a Lyric Opera of Chicago production of "Don Carlos." Nicolao has amassed a considerable personal collection of historical clothes

from the 18th century onward, many of which he has bought at country auctions, often in France. "These authentic examples are a constant source of reference for me, as is the important research that has been carried out at places like the Metropolitan Museum in New York and the Victoria & Albert Museum in London."

"By studying the past you can learn alternative techniques," he said. "For example, in an 18th-century-style dress, instead of wearing a corset underneath, you can build the stiffening into the bodice, which can make the dress more flexible and comfortable — but looks the same from the outside."

Many of Nicolao's private clients originally came to him to rent a costume for Carnival or a ball or party, and have since come back again to order something specially made for them. "The point about evening dress is that it's actually a kind of costume or fancy dress. And I suppose most of the designs

I've devised for private clients are in some ways 'historical,' or at least inspired by forms from the past — whether it's something from the 18th century or the 1920s or '30s. But I'm not a normal stylist in that I don't try to impose my taste on my clients. They usually come with an idea of their own, a fantasy almost, and we work on it together."

A NICOLAO handmade dress usually costs 900,000 to 1.8 million lire (\$560 to \$1,120), and up to 4 million for a really intricate wedding dress (his wedding dresses, like his historical costumes, can also be rented, from a wardrobe of around 6,000). The exotic range of Nicolao's styles make it well-nigh impossible for two people in the same room to find themselves wearing the same dress, even when it comes to fabrics, of which he keeps a vast and varied stock. "Fortunately, firms like Bevilacqua and Rubelli here in Venice and others in,

for example, Lyon, still produce many 'historical' patterns — though often these are now made principally for upholstery and furnishings. Another useful source are producers who specialize in materials for ecclesiastical vestments," he said.

To coincide with the anniversary of the fall of the Republic on May 12, "Serenissima: The Arts of Fashion in Venice, From the 13th to the 18th Century," an exhibition drawn from public and private collections in Venice and elsewhere, embracing pictures, historical clothes, shoes, fans and other contemporary accessories, will open at the Accademia Italiana in London (until July 20). The show is a new version of one held in New York in the winter of 1995-96, and once again Nicolao has been invited to design and stage a catwalk-cum-historical drama, called "Venetian Reflections," for a gala evening at the Westminster Theatre on June 3, illustrating the development of Venetian fashion down the centuries.

Sum of Its Parts: Model Agency for the '90s

By Jennifer Steinbauer
New York Times Service

NEW YORK — Ask anyone who runs a New York modeling agency what generates buzz, and the answer is definitive: female superstars. Ask whether an agency can survive without them, and the answer will not be so definitive.

No one knows this better than Natasha Esch, 25, Esch, the soon-to-depart president of Wilhelmina Models, is quick to admit that her agency is not what it was 20 or even 10 years ago, when, along with Elite Model Management and Ford Models, Wilhelmina dominated the business. Gone are the Kim Alexis and Beverly Peete and Imans who once glamorized the agency's portfolio. In their place are mostly unknown faces — many working steadily as everything from catalogue models to fittings models for designers — and a few midlevel celebrities like Daisy Fuentes.

"We never book girls from there," said Bryan Bantry, an agent and producer who works with leading fashion photographers. "Elite is chic, and Ford was always sort of all-American, and Wilhelmina is just kind of tacky."

But that is not the same as unprofitable. And Esch, who walks with purpose in her Prada shoes and chats as knowledgeably about capital structure as about design, is tactical rather than tacky. Yes, she finds child models through Kmart photo studios. And she sells Wilhelmina backpacks and black bomber jackets with her logo on the back.

Esch, who has grown weary of the modeling business and wants to work for a fashion house or magazine, says she will leave behind an agency with a healthier bottom line. It is one that she and her father, Horst-Dieter Esch, who bought Wilhelmina in 1989 and will take over from his daughter, have recast in deals far removed from the catwalk or fashion pages.

"Do we have the same prestige as 20 years ago?" Esch said in an interview at her Park Avenue South office. "Absolutely not. But I think Wilhelmina is the best it can be for this day and age. Back then, there was more prestige, but less money."

Esch, who earned her degree from Babson College, a business school in Wellesley, Massachusetts, makes no apologies for ventures like the one with Kmart. "We have repositioned how a modeling agency makes money," she said. "It is not just booking models but building products

around merchandising. The power lies in getting your name out there."

Esch said that in her five years, Wilhelmina's annual revenues have grown to \$20 million from \$12 million. While she declined to disclose net profit, she did say the agency easily makes the 5 percent net profit that is usual in the business. Wilhelmina's transformation from stylish fashion agency to house of backpacks and even plus-size models is a result of big shifts in the modeling agency business in New York. An increasing chunk of the market has been nibbled away by new, smaller players like Next Management, Karin Models and Women Model Management, whose stated goal is to discover and build stars.

MANY agencies now have to settle for slimmer profits to retain or lure away from other agencies the hot young female faces. That means accepting smaller commissions from models and staying lean to compete with the 40-odd agencies that have sprouted over the last five years.

"Today, you have 12 or 15 important girls at 10 different agencies," said Jerome Bonnouvier, founder of the agency DNA Model Management. "Ten years ago, they would have all been in two agencies."

To make up for its lack of hot young models, Wilhelmina has expanded less glamorous segments — "parts" models (who lend, say, a foot or a hand to an advertisement), plus-size models, older models, child and male models — as well as marketing tie-ins. Through its catalogues, anyone can own a tiny T-shirt (\$15), backpack (\$25) or guide to modeling (\$14). In the next few months, the agency will begin selling advertising, promoting products and running contests on America Online.

What of the industry rumors that Esch's leave-taking signals that the company will be sold? "Totally unfounded," Esch said.

That is how Natasha Esch wants to leave things. And while she was criticized as too young and inexperienced from the word go, many in the industry tip their hats to the young woman who sued Elite for snatching away Beverly Peete (later settling for what she said was six figures) and dismissed the head of her Los Angeles division in her first year.

"I don't think we have seen the last of Natasha Esch," said Bantry, the agent. "She was fortunate enough to have a father to set her up, and she learned on the job. I think she'll be a big name in the future."



Natasha Esch with some reminders of Wilhelmina Models' golden days.

CROSSWORD

ACROSS

- 1 Pickle container
- 4 Motionless
- 9 Fashion
- 14 Matchstick of all matches
- 18 Actor Romero

DOWN

- 11 Boiling
- 17 Weighed in
- 20 Light lunches
- 21 To any extent
- 22 List-ending abbr.
- 23 Moo juice container

ACROSS

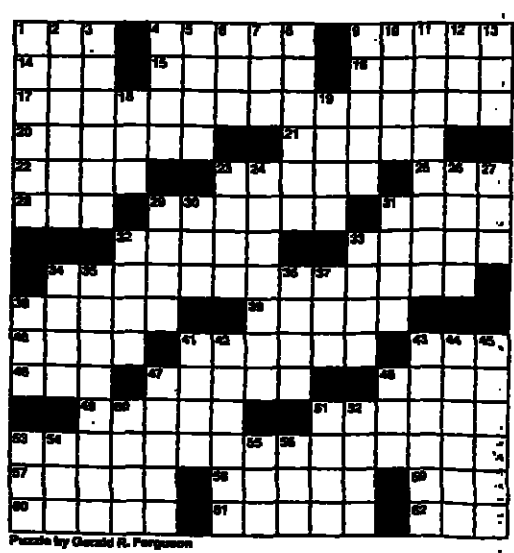
- 28 Gp. overseeing toxic cleanup
- 29 Perfect rating
- 30 Most prudent
- 31 Become revealed
- 32 Painful spots
- 33 Carroll adventures
- 34 Caused clamor
- 35 Napping spots
- 36 Magazine exhortation
- 37 Break in relations
- 41 Out of business
- 43 Complex products
- 46 Miss
- 47 Engulf in amusement
- 48 Cream ingredient
- 49 Tear to shreds
- 51 Part of MOMA
- 53 Blabbed
- 57 — pedis (athlete's foot)
- 58 Take to the stump
- 59 Certain shirt
- 60 Aridity
- 61 Wanderer
- 62 Japanese honorific

DOWN

- 1 High-fliers
- 2 Fly
- 3 Change tactics
- 4 Like an éclair
- 5 Composer Rorem and others
- 6 Superlative ending
- 7 Short cheer
- 8 Firestone testifies
- 9 Clergyman

ACROSS

- 10 Kind of surgery
- 11 Indoor court
- 12 Indian with a bear dance
- 13 Some M.I.T. grads
- 18 Churn
- 19 Leave be
- 23 Welded
- 24 Partner of search
- 25 Warsaw —
- 27 Word of assent
- 28 Canton cookware
- 30 Land west of Eng.
- 31 Current
- 32 Sing "hooby-doo"
- 33 Out for the night
- 34 Aggravate
- 35 Part of a church service
- 36 Piano-playing theme
- 37 Arts-40-Kan. dir.
- 38 Sign of stage success
- 41 Professor Plunk's game
- 42 Pomeranian, for one
- 43 Stitched folds
- 44 Window of an eye
- 45 Breath mint brand
- 47 Sloppy landing
- 48 Suits with stock
- 49 France's — de Glénans
- 51 Queens team
- 52 Follow the code
- 53 — Puf fabric softener
- 54 Wrestler's goal



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Solution to Puzzle of Feb. 3

PASTA RYES TSGA
ACORN EURE TITO
SEMS SMALLTAL
TRAVESTY NIBBLE
PINES REVESTE
ITRACA SEDER
ORO ETHIC REMET
NEED SALUT DORA
SKEIN TAYLOR RET
SIDES NOBLES
CHARTED DOBIE
AUBURN SURFACES
GRAPEVINE ERODE
ERST EDIT ROBIN
OYES ROTO SWEET

Statistical Ruling
Italy's Bid to Join

Monopoly Phone

Banking Ahead
Free Trade in Amer

CURRENCY &

الرياض

EUROPE

SE Banken
Abandons
Merger With
Nordbanken

Compiled by Our Staff From Dispatches

STOCKHOLM — Scandinavian Bank AB and Nordbanken AB, Sweden's third- and fourth-largest banks, said Monday they had abandoned talks about merging their operations, which would have created one of Scandinavia's two largest banks.

After at least a month of negotiations, the banks called it quits Friday, said Peter Forsblad, a Nordbanken spokesman.

Gunnilla Wikman of SE Banken said merger talks with Nordbanken had failed because of the way they had developed. "We ended discussions because the focus of the discussion was not satisfactory to shareholders, employees or customers," she said.

She said that "a number" of issues could not be resolved but declined to describe the areas of contention.

"There was no special point over which talks ended, and we never came to any price discussions," she said.

She said that although it was clear the financial sector in Sweden was restructuring, SE Banken was in no hurry to do a deal.

"We think we are strong enough on our own," she said. "There is no immediate need for a merger."

Peter Thorne, analyst at Paribas Capital Markets, said: "This is not the end to restructuring in Sweden. One of the reasons it didn't go ahead is because there is financial strength and profitability in the banks. Financial distress would have pushed this on."

Merger speculation pushed up the banks' stocks last month. But Monday, SE Banken shares fell 5 kronor to close at 67.50 (\$9.33). Nordbanken shares declined 7.50 to 227.50.

Sweden's finance minister, Erik Asbrink, said Monday the state would still sell its 59 percent stake in Nordbanken despite the failure of the merger talks.

In January, SE Banken and Nordbanken shares rose to record highs on speculation the state would sell a quarter of Nordbanken to Investor AB, a Swedish holding company controlled by the Wallenberg family, which has a stake in SE Banken.

(Bloomberg, AFP, Reuters)

Poland Aims to Catch an Economic Wave
Privatization of Biggest Properties Is Planned to Bolster Growth

By Jonathan Gage
International Herald Tribune

DAVOS, Switzerland — Taking advantage of the economic momentum that comes from being Eastern Europe's best-performing economy, Poland will launch an aggressive new round of privatizations this year, President Aleksander Kwasniewski said.

Among the biggest state properties to be sold off will be 11 banks, telecommunications concessions and a huge copper enterprise, Mr. Kwasniewski disclosed in an interview here.

He placed a \$4 billion total value on the sell-off of just two of the many properties — the copper company KGHM Polska Miedz SA and the country's oldest bank, Bank Handlowy w Warszawie SA.

"We have reached real success in Poland," Mr. Kwasniewski said, "and we intend to take advantage of it."

Mr. Kwasniewski's enthusiasm for the Polish economy's prospects often makes it difficult to get a word in edgewise with the telegenic former Communist who has converted himself into something resembling a conservative Social Democrat.

The Polish economy has created half a million jobs in three years, Mr. Kwasniewski said.

Poland's stock market last year was one of

the best-performing in the world, powered by an extraordinary entrepreneurial culture, a consumer market of 40 million Poles and a flood of foreign direct investment that Mr. Kwasniewski put at \$6 billion in 1996.

The investment boom has already brought substantial manufacturing operations to Poland, including car plants for Daewoo Motor Co., Hyundai Motor Co. and General Motors Corp. that are looking for fresh markets as well as cheap operating bases from which to invade Western Europe's larger markets.

But the European Union has already stepped in to stem what it considers too many tax incentives extended to such companies as Daewoo. Poland recently has agreed to tighten tariffs on car imports by Daewoo, which until now has been able to import car parts into Poland free of duties.

Apart from an inflation rate that was 18.5 percent last year but is falling, "Poland would meet the Maastricht criteria for European monetary union," said Anders Aslund, a fellow at the Carnegie Institute and a specialist in Eastern Europe.

"Unemployment is high" in Poland, added Mr. Aslund, "but it is not generally perceived as a big problem because it is falling and because of the extensive underground economic activity" that supplements the incomes of

many Polish households. "In general, Poland looks very much like Italy," he said, "including lots of wheeling and dealing."

The timing of the planned state sales could hardly be better. Privatization has been one of the few blemishes on Poland's economic success story since the fall of communism. The country has privatized small enterprises with little difficulty but has stumbled in attempting to sell off its big industrial ones. This is partly due to a 1990 privatization law, analysts say, which allows three sets of interest groups — company managers, workers and state authorities — to veto privatization efforts.

Thus the economy is still heavily dependent on state industry and the public sector in general, which accounts for 49 percent of gross domestic product. That is one impediment that may keep the Polish economy from continuing to steam along at its current growth rate of more than 6 percent of GDP, far faster than Poland's rich neighbors in Western Europe.

Also weighing on growth prospects is the heavy burden of public-sector pensions, which soak up no less than 16 percent of GDP.

But the main challenge, according to Mr. Kwasniewski, will be to limit inflation while promoting economic growth because Poland has "chosen the path of high growth to close the gap with countries of the European Union."

RWE and VEBA Flirt With Southwestern Bell

Compiled by Our Staff From Dispatches

FRANKFURT — Southwestern Bell Corp. is among the companies with which RWE AG and VEBA AG have held talks about the possibility of forming a telecommunications alliance in the wake of reports that the planned alliance of the two German companies with Cable & Wireless PLC was on the verge of collapsing, industry sources said Monday.

Shares of RWE, VEBA and Cable

& Wireless fell after reports that the British telecommunications company was considering ending its partnership with RWE to join a bigger international group that included U.S. and French telecommunications companies.

RWE AG said Monday its telecommunications alliance with VEBA AG would go ahead even if Cable & Wireless pulled out of the venture. "The alliance with VEBA will take place in any case," Dieter

Schweier, a spokesman for RWE, said. "The talks with VEBA are almost concluded."

Analysts said VEBA and RWE would not have trouble finding a new partner. "If Cable & Wireless pulls out, there would be a lot of other people knocking on the door," said Roderick Hinkel, an analyst for Paribas Capital Markets.

C&W shares fell 2 pence to 464 pence (\$7.44) in London. VEBA shares fell 0.90 Deutsche mark to

89.70 DM (\$54.91) in Frankfurt, while RWE fell 0.95 to 68.35.

The reports raise the possibility of another shake-up among companies hoping to challenge Deutsche Telekom AG when the German telecommunications market opens to competition next year.

In October, RWE left an alliance with VIAG AG and British Telecommunications PLC to court VEBA and Cable & Wireless.

(AFP, Bloomberg)

U.K. Airport Firm BAA Expects Deal on Naples Soon

Compiled by Our Staff From Dispatches

LONDON — BAA PLC said Monday it expected to take a controlling stake in the Naples airport by the end of March and may invest in Berlin's Schoenefeld airport, which is seeking financing for a planned expansion.

BAA, which operates seven British airports including London's Heathrow, has been negotiating to take over the airport for more than a year. It said it wanted the purchase to lay the groundwork for its expansion into Continental Europe as governments sold state-owned airports.

BAA signed a letter of intent in January 1996 with the airport operator, Gesac, which is owned 47.5 percent by the city of Naples and 47.5 percent by the Campania surrounding province of Campania. Alitalia owns the remaining 5 percent. The airport handles about 2.5 million passengers

a year. Separately, BAA London Heathrow reported a 6.2 percent rise in pretax profit for the nine months ended Dec. 31, to £397 million (£631 million), as revenue rose 7.4 percent, to £1.06 billion from £987 million a year earlier.

(Reuters, Bloomberg)

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2520	4500	2500
3050	4100	2200
2930	4000	2100
2770	3800	2000
2450	3700	1900
1996	1997	1996
Exchange	Index	Monday Close
Amsterdam EOE	274.77	275.08 -0.13
Brussels BEL 20	2953.51	2951.54 -0.10
Frankfurt DAX	3062.29	3055.15 -0.89
Copenhagen Stock Market	518.87	511.61 -1.26
Helsinki HEX Generali	2762.77	2777.18 -0.52
Oslo OBX	582.45	577.61 -0.84
London FTSE 100	4257.80	4276.80 -0.42
Norway Stock Exchange	482.89	485.59 -0.52
Stockholm SMI	12288.00	12421.00 -1.06
Paris CAC 40	2506.55	2516.58 -0.32
Stockholm SK 18	2701.47	2717.28 -0.58
Vienna ATX	1482.16	1474.62 -0.54
Zurich SPI	2737.26	2738.33 -0.39

Source: Reuters

Very briefly:

- Philips Electronics NV submitted a provisional plan to unions and staff to cut 325 jobs out of 730 at its corporate headquarters as part of a restructuring plan.
- Linotype-Hell AG plans to cut 800 jobs in Germany and 400 abroad as part of its restructuring plan.
- Belgian police raided the office of Finance Minister Philippe Maystadt and the headquarters of Kredietbank NV amid allegations that the bank received illegal tax breaks.
- Groupe des Assurances Nationales SA's rescue will require 15 billion to 20 billion French francs (\$2.72 billion to \$3.63 billion) of fresh cash from the government, allowing the insurer to withdraw from the property sector, cover past losses and meet future obligations, Le Monde daily said.
- Coca-Cola Co. said that it and its seven South African bottling partners would invest more than 1 billion rand (\$218.9 million) over the next five years to expand marketing and distribution in South Africa.
- Cristobal Montoro, Spain's economy secretary, ruled out the need for an adjustment to the 1997 budget, reaffirming the government's 3 percent growth forecast for 1997.
- The Bank of Israel will allow Israelis to invest more freely in overseas securities markets as part of a package of foreign-currency liberalization measures.
- The European Commission will ask the World Trade Organization to appoint a panel to rule on its legal challenge against U.S. legislation aimed at curbing investment in Cuba.
- The Paris High Court fined Swissair AG 20,000 French francs (\$3,626) for each of the 66 staff members it laid off in France and ordered the airline to modify its restructuring plans to conform with French employment laws.
- Metalgesellschaft AG's net profit for 1996 rose 86 percent, to 220 million Deutsche marks (\$134.7 million), while pretax profit rose 20 percent in the first quarter, to 26.7 million DM.

AFP, Bloomberg, AFP, Reuters

WORLD STOCK MARKETS

Monday, Feb. 3
Prices in local currencies

Amsterdam

Amst. 100 Index 274.77
Previous: 275.08

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NYSE

Monday's 4 P.M. Close
Nasdaq prices not reflecting late trades elsewhere.
The Associated Press.

Stock	Price	Change
IBM	125.12	+0.12
Microsoft	68.12	+0.12
Apple	55.12	+0.12
Oracle	45.12	+0.12
Sun	35.12	+0.12
HP	25.12	+0.12
Intel	15.12	+0.12
Motorola	10.12	+0.12
Comcast	5.12	+0.12
Verizon	4.12	+0.12
AT&T	3.12	+0.12
WorldCom	2.12	+0.12
Qwest	1.12	+0.12
Sprint	0.12	+0.12

IBM, Microsoft, Apple, Oracle, Sun, HP, Intel, Motorola, Comcast, Verizon, AT&T, WorldCom, Qwest, Sprint, and other major technology and telecommunications companies. The market was generally stable, with some fluctuations in the late afternoon session. IBM and Microsoft showed slight gains, while Apple and Oracle were also up. Sun, HP, Intel, Motorola, Comcast, Verizon, AT&T, WorldCom, Qwest, and Sprint all saw minor increases. The overall market sentiment was positive, reflecting the strong performance of the technology sector.

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Read
THE MONEY REPORT
every Saturday
in the IHT.

Herald Tribune
PUBLISHED EVERY DAY EXCEPT SUNDAY AND HOLIDAYS
THE WORLD'S DAILY NEWSPAPER

البيان المالي

ASIA/PACIFIC

Yaohan Plans Asset Disposal

TOKYO — Yaohan Japan Ltd. said Monday its expansion drive had failed and that it would slash its assets by nearly one-third and cut its debt to try to return to profitability. Yaohan's president, Mitsumasa Wada, said the retailer would cut group assets by 79 billion yen (\$647 million), or 32 percent, to 170 billion yen by the end of March 1999. Mr. Wada said that under a two-year restructuring plan, Yaohan would cut group debt from 164 billion yen as of March 1996 to 90 billion yen by March 1999.

He said the restructuring reflected the failure of Yaohan's recent investment program to expand operations. Yaohan Japan, the flagship company of the international retail group, also plans to sell more than 10 stores and offices in the next two years, the company said.

The company also plans to sell some of its overseas assets. Under an expansion plan undertaken by Mr. Wada, the Yaohan group has extended its operations to Shanghai, where it has its group headquarters, and to Hong Kong and elsewhere in Asia.

Mr. Wada said that under a two-year restructuring plan, Yaohan would cut group debt from 164 billion yen as of March 1996 to 90 billion yen by March 1999.

He said the restructuring reflected the failure of Yaohan's recent investment program to expand operations. Yaohan Japan, the flagship company of the international retail group, also plans to sell more than 10 stores and offices in the next two years, the company said.

Philippines Voids Foreign Hotel Bid

Compiled by Our Staff From Dispatches

MANILA — The Supreme Court voided a Malaysian consortium's winning bid to purchase the Manila Hotel on Monday and ordered the government to sell the hotel instead to a Philippine bidder.

The ruling marked another embarrassment for the government, which has seen a series of asset sales go awry. Critics say the cases will discourage foreigners from investing in the Philippines.

Asia's biggest companies, turned in the higher bid of 44 pesos per share at the auction on Sept. 18, 1995. Ten days later, Manila Prince offered to increase its 41.58-peso bid to 44 pesos.

In an 11-to-4 vote, the court ruled that the government-owned hotel was part of the country's heritage and that its sale to a foreign group would violate the "Filipino-first policy" laid down in the constitution.

Critics of the court's decision see a dangerous precedent for foreign participation in future government asset sales.

The policy gives preference to qualified Filipinos in the "grant of rights, privileges and concessions covering the economy and national patrimony."

Robert Sears, executive director of the American Chamber of Commerce in the Philippines, said, "Foreign investors are not won down yet, but they are going to be if this continues."

With the ruling, the Government Service Insurance System was ordered to sell a 51 percent stake in the hotel to Manila Prince Hotel Corp., a privately held company owned by Emilio Yap, publisher of the Manila Bulletin, for 673.2 million pesos (\$25.55 million).

Though this is the first time the court has sided with a Filipino because he was a Filipino, it is not the first time a foreign company has been stripped of its claim to a government asset after bidding.

Reaong Bhd., one of Malay-

sia's biggest companies, turned in the higher bid of 44 pesos per share at the auction on Sept. 18, 1995. Ten days later, Manila Prince offered to increase its 41.58-peso bid to 44 pesos.

Investor's Asia				
Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
15000	2300	22000		
14000	2200	21000		
13000	2100	20000		
12000	2000	19000		
11000	1900	18000		
10000	1800	17000		
1996	1996	1996		
Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong Hang Seng		13,451.07	13,321.79	+0.97
Singapore Straits Times		2,218.06	2,218.47	+0.07
Sydney All Ordinaries		2,426.90	2,428.70	+0.13
Tokyo Nikkei 225		18,085.95	18,320.01	-1.33
Korea Composite		1,221.90	1,216.72	+0.43
Bangkok SET		761.83	768.04	-0.85
Seoul Composite Index		887.25	883.13	+0.60
Taipei Stock Market Index		7,446.88	7,515.39	+0.48
Manila PSE		3,447.60	3,421.91	+0.75
Jakarta Composite Index		687.47	691.12	-0.53
Wellington NZSE-40		3,377.84	3,386.74	-0.37
Bombay Sensitive Index		3,324.32	3,382.47	-1.72

Source: Reuters International Herald Tribune

Samsung Misses '96 Sales Target

SEOUL — Samsung Electronics Co. will invest more than \$3 billion in new products this year to reduce its reliance on memory-chip sales after it missed its sales target for the first time last year.

Declining profit will also hinder the South Korean company's ability to upgrade chip production for more advanced technology, Samsung's president, Yoon Jong Yong, said Monday in remarks carried by the

Yonhap news service. In his first public appearance since he took over as the world's biggest memory-chip maker in December, Mr. Yoon said, "Samsung will focus on more aggressive and futuristic management this year."

DATA: Internet Deepens an Information-Services Rivalry

Continued from Page 11

battle among box-makers for space in trading rooms and brokerage firms is becoming a race to develop an array of information services — such as stock quotes, analytical tools and news reports — flexible enough to be delivered to a customer's personal computer in any number of combinations.

"You get the feeling that the Internet is leaving Bloomberg behind, just like Bloomberg left Quotron behind," said John Sabre of IndoSuez Capital, referring to maker of the stock-quotes machine that Citicorp sold to Reuters in 1994 at a huge loss. Mr. Sabre gets his real-time financial information over a PC.

Reuters, Telerate and Bloomberg are all grappling with the industry changes, but Telerate has felt the sting the most. The Dow Jones financial information services division, made up of Telerate and Dow Jones News Service, posted a 21 percent drop in

operating income for 1996, to \$156 million, on sales of \$980 million.

Edward Atorino of Oppenheimer & Co. estimated that Telerate's operating margin had dropped to 15.9 percent in 1996 from 20.5 percent the previous year and would fall to almost zero this year. By contrast, he said, Reuters routinely rolls up margins of more than 20 percent.

Telerate's historic strength has been its real-time price data on government paper. Through its exclusive arrangement with Cantor Fitzgerald, a leading bond brokerage firm, Telerate is still viewed as the place to go for such information. But several analysts said Telerate was becoming outmoded in other, faster-growing areas, such as transactions.

A Reuters machine, for example, allows customers to trade stocks and make currency transactions.

Part of the problem is inadequate financial support from Dow Jones.

Reuters spent roughly \$300 million on research and development in 1995, while Telerate spent about \$33 million. Mr. Bloomberg has said his company spends \$250 million a year on research and development.

Still, when Dow Jones announced Jan. 20 that it would spend \$650 million over three years to retool Telerate, its shares went into a swoon. Some shareholders maintain that Telerate has fallen so far behind that Dow Jones would do better to cut its losses and leave the business.

Among that group are two outspoken money managers — Michael Price of Franklin Mutual Fund Advisors and James Cramer of Cramer Berkowitz & Co., who amassed stakes in Dow Jones when its share price plunged.

Korean Problems Set Back IPC's Ambitions in Asia

Compiled by Our Staff From Dispatches

SINGAPORE — News of financial trouble at its South Korean unit has dealt a setback to the computer maker IPC Corp.'s hopes of becoming an Asian regional player, analysts said Monday.

They said IPC Corp. (Korea's default on 570 million won (\$659,500) of promissory notes last week had raised concerns about the company's financial controls.

The financial impact on IPC "is not very big, as it is limited to a subsidiary," said Patrick Yau, an analyst at Schroders Securities. "But as the company is trying to be a regional player, implications are bigger as it suggests financial control is very weak."

Timothy Wong, research manager at Vickers Ballas, said control was "always the problem the further away you go; all kinds of stuff could go wrong."

IPC said Friday it had not been able to contact its chief executive officer of the Korean unit.

Patrick Ngiam, chairman of IPC, said he did not see the unit's troubles as reflecting poor financial controls or as a potential setback to becoming a regional player.

"The South Korean situation is an isolated one," he said.

Mr. Ngiam said the company had sent a team to investigate the matter in South Korea.

But an analyst at a Singapore brokerage said IPC already had problems with its foreign operations. IPC closed both its Australian and U.S. operations last year to cut losses and concentrate on the Asian market.

"This whole phenomenon could be endemic," he said.



World Business Council for Sustainable Development

(THIRD IN A SERIES)

GLOBAL ENVIRONMENTAL PROBLEMS REQUIRE GLOBAL SOLUTIONS, YET GLOBAL SUCCESS IS THE SUM OF LOCAL EFFORTS. THIS IS WHAT THE WBCSD GLOBAL NETWORK IS ALL ABOUT.

Scattered throughout Africa, Latin America, the Gulf of Mexico, Asia Pacific, and Central and Eastern Europe, the 600-plus business leaders in the WBCSD regional and national councils, along with four partner organizations, work to promote sustainable development. They are a critical link between the developed and developing world, and they have the unique opportunity to harness the power of business to protect the environment.

The global network is the laboratory where WBCSD policies come to life. It looks for methods of keeping industry on the cutting edge of ideas and technology; it tests those ideas for viability and uses them in its own markets.

The councils carry out projects that convey the

message of sustainable development, conduct training programs that enable business to reform destructive practices, and influence governments to change policy frameworks. Through these efforts, they will soon enough signal how business is changing course toward sustainability.

Take eco-efficiency: It provides market opportunities, which are not restricted to developed countries. Transfer of eco-efficient technologies from large companies in developed countries to small and medium-sized ones in less-developed nations offers all

smaller companies in emerging markets gain access to the best available practices, which improve profits and reduce pollution, and larger companies from the developed world increase market share and strengthen the local economy while preventing pollution.

In Colombia, large companies are now helping smaller enterprises achieve eco-efficiency in ways that not only cut pollution and chemical use, but also improve profits.

Throughout the Gulf of Mexico, companies from various sectors — including mining, forestry and chemicals — have increased profitability, reduced pollution and conserved natural resources through eco-efficient practices.

In Thailand, where the energy sector accounts for

the greatest proportion of greenhouse gas emissions, the private sector is deploying innovative power-generation schemes and energy-efficient techniques.

In the Czech Republic, faced with a legacy of heavy industry and outdated technologies, the council is working with the local government to ensure a successful transition to a market-based economy, through sustainable policies and measures.

In Russia, a group of companies, led by the WBCSD, are participating in a \$10 million educational initiative. This venture combines classroom-

based training with practical company internships and is designed to expose 600 of tomorrow's Russian business leaders to the latest managerial practices and thinking, with particular emphasis on eco-efficiency.

The major leadership challenge for industry today is to adopt eco-efficiency as the business norm for the 21st century. It is a global

challenge — as pertinent for companies in the United States, Europe and Japan as it is for those in other regions of the world, especially the fast-growing economies of Asia and Latin America, and the emerging economies in Central and Eastern Europe. This is why the global network plays such an important role, and why the WBCSD will continue to establish new councils throughout the world.

What is the WBCSD?

A business group of 120 companies from 35 countries and more than 20 major industrial sectors, sharing a commitment to the environment and the principles of economic growth and sustainable development. The WBCSD is uniquely positioned to look at areas of sustainable development where industry's voice can make a difference.

The WBCSD aims at developing closer cooperation between business, governments, non-governmental organizations and other organizations concerned with sustainable development. For a complete list of WBCSD publications, please contact: E&Y Direct, Unit 6, P.O. Box 934, Poole, Dorset, BH17 7AG, United Kingdom. Tel: (44 1202) 679 885; fax: (44 1202) 661 999.

The Global Network

National BCSDs: Croatia, Czech Republic, Indonesia, Malaysia, Nigeria, Poland, Taiwan, Thailand. Regional BCSDs: Gulf of Mexico (Mexico Chapter, U.S. Chapter), Latin America (Argentina, Bolivia, Colombia, Costa Rica, El Salvador, Honduras, Mexico). Partner Organizations: India, Philippines, Southern Africa, Zimbabwe.

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Monday's 4 P.M.

The 1,000 most-traded National Market securities
In terms of dollar value, updated twice a year.
The Associated Press.

[illegible]

Monday's 4 P.M. Close

(Continued)

For information on how to list your fund, fax Katy Hourli at (33-1) 41 43 92 12.

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Other Funds	\$ 452
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SPORTS

Groszek Goal Lets Sabres Tie Capitals

The Associated Press
 Michal Groszek scored with 4:31 left in the third period to give the Sabres a 2-2 tie with the Washington Capitals in Buffalo.

Groszek's goal Sunday, his 11th, was his first since Jan. 11.

NHL Roundup

Steve Konowalchuk had given the Capitals a 2-1 lead with 6:12 remaining.

Dominik Hasek made 27 saves for the Sabres. Jim Carey made 22 saves for Washington.

Red Wings 4, Stars 3 Vyacheslav Kozlov scored 80 seconds into overtime as Detroit won at home for the first time in six games.

Kozlov's 17th goal — and fifth game-winner — came after the Dallas defenseman Sergei Zubov failed to control a bouncing puck played high into the Stars' end by Detroit's Tomas Sandstrom.

Sandstrom's assist was his first point in three games since Detroit acquired him last week from Pittsburgh.

Bruce 3, Rangers 2 In New York, the Bruins scored three goals in less than four minutes for the first period.

Rob Tallas, Boston's rookie goalie, protected a one-goal lead for nearly half the game after Mark Messier scored at 11:19 of the second period. Tallas made 28 saves.

Avalanche 5, Mighty Ducks 2 Stephane Yelle scored the tie-breaking goal 21 seconds into the third period as Colorado broke Anaheim's streak of home victories at four.



The Bulls' Michael Jordan working his way around Gary Payton of the SuperSonics.

Jordan Makes Points in Seattle

By Clifton Brown
 New York Times Service

SEATTLE — Michael Jordan stuck a knife in the SuperSonics with a 45-point performance — the most anyone has scored against Seattle this season — as he led the Chicago Bulls to an impressive 91-84 victory at Key Arena.

Jordan was the only Bull to reach double figures, but he hardly mattered. Against the team the Bulls beat in last year's National Basketball Association finals, Jordan dominated Sunday while shooting 19 for 28 from the field.

Jordan used his height advantage and his strength to score almost at will. One minute he was making a turnaround jump shot, the next minute he was spinning into the lane for layups. When Jordan made a 45-foot shot to beat the first-quarter buzzer, one could sense it was going to be a special day.

The Bulls stormed to a 16-point lead in the second quarter, but sparked by Payton (24 points), who made a trio of three-pointers in the third quarter, Seattle closed within two points, 60-58.

After a Chicago timeout, Jordan scored six consecutive points, starting an 8-0 run that pushed the Bulls' lead to 68-58, and the Bulls controlled play the rest of the way.

The Bulls have won the first four games of their six-game Western road trip, and they have done it without Dennis Rodman, who is serving an 11-game suspension for kicking a courtside cameraman.

The NBA commissioner, David Stern, is supposed to make an announcement on Rodman's status this week.

In other games, The Associated Press reported:

Golden State 108, Celtics 92

Stu Jackson, who took over as Vancouver's coach on Jan. 24, gained his first victory Sunday as the Grizzlies picked on somebody their own size — the Boston Celtics — and mapped an eight-game losing streak.

Even with the victory in Boston, the Grizzlies have the worst record in the NBA, with only nine victories.

Bryant (Big Country) Reeves scored a career-high 33 points and Shafer Abdur-Rahim added 28 points for Vancouver.

Nuggets 115, Hawks 104 Seven Nuggets scored in double figures, led by Dale Ellis with 21 points, as they spoiled Dikembe Mutombo's return to Denver.

Playing in Denver for the first time since leaving to sign with Atlanta, Mutombo

Score 108, Pistons 97 Twenty-one points by reserve Mark Bryant sparked visiting Phoenix, which ended a six-game losing streak by beating Detroit.

The Suns, who had lost 10 of their last 11 on the road, became just the second team to score 100 points against the Pistons this season.

Hornets 99, Knicks 93 Glen Rice scored 40 points as Charlotte snapped New York's 15-game home winning streak.

It was the first home loss since Dec. 3 for the Knicks, who were without Patrick Ewing for the second straight game.

Magic 103, Rockets 90 At Orlando, Rony Seikaly scored 29 points, and the Magic took advantage of Charles Barkley's absence to hand the Rockets their fourth straight loss.

Pacers 92, Nets 90 At Indianapolis, Travis Best hit a go-ahead 3-pointer with 39 seconds to play, and Reggie Miller scored 28 points as Indiana came back from a 20-point deficit to win.

Timberwolves 103, Trail Blazers 102 At Minneapolis, Tom Gugliotta scored 27 points, and Kevin Garnett sparked a third-quarter rally to lead Minnesota.

Louisville Can't Find the Net

The Associated Press
 Louisville was held to its lowest point total in 16 years as Marc Jackson had 20 points and 14 rebounds to lead Temple to a 67-44 upset of the ninth-ranked Cardinals.

"I don't think it would have mattered who we played today," said Denny Crum, Louisville's coach.

The Owls (12-6) held visiting Louisville (18-3) to 26 percent shooting (7-of-27) in taking a 22-15 halftime lead. Louisville finished with 19-of-63 from the field.

Washington 92, No. 10 Arizona 88 Mark Sanford scored 18 of his 26

points in the second half for the Huskies (12-5, 5-4 Pac-10). The visiting Wildcats (13-5, 6-3) closed to 90-88 on Michael Dickerson's 3-pointer with 24 seconds left. Sanford then made two free throws with 16 seconds remaining.

No. 12 Duke 70, Georgia Tech 61 In Durham, North Carolina, Trajan Langston scored 17 points for the Blue Devils (17-5, 6-3 ACC) and held Matt Harrington in check with his defense despite giving away four inches.

Illinois 78, No. 17 Indiana 74 Kiwane Garris scored 23 points, including seven free throws in the final minute, as the Illini (15-6, 5-4) won at Indiana's Assembly Hall for the first time in seven years.

COLLEGE BASKETBALL

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Washington 92, No. 10 Arizona 88 Mark Sanford scored 18 of his 26

GOLF

Leading U.S. standings through Sept. 28 for the Ryder Cup to be played Sept. 28-30 at Valderrama in Seville, Spain.

1. Tom Lehman, 694.50; 2. Mark O'Meara, 670.00; 3. Davis Love III, 625.00; 4. Mark Brooks, 519.75; 5. Phil Mickelson, 501.75; 6. Steve Jones, 499.25; 7. Tiger Woods, 485.00; 8. Scott Hoch, 484.25; 9. Kenny Perry, 371.25; 10. Fred Couples, 351.75; 11. Steve Stricker, 342.50; 12. John Cook, 341.00; 13. Tommy Thoresen, 324.00; 14. David Duval, 320.00; 15. Mark Calaver, 305.00.

WESTERN TOUR STANDINGS THROUGH SEPT. 28

1. Tom Lehman, 694.50; 2. Mark O'Meara, 670.00; 3. Davis Love III, 625.00; 4. Mark Brooks, 519.75; 5. Phil Mickelson, 501.75; 6. Steve Jones, 499.25; 7. Tiger Woods, 485.00; 8. Scott Hoch, 484.25; 9. Kenny Perry, 371.25; 10. Fred Couples, 351.75; 11. Steve Stricker, 342.50; 12. John Cook, 341.00; 13. Tommy Thoresen, 324.00; 14. David Duval, 320.00; 15. Mark Calaver, 305.00.

CRICKET

WEST INDIES VS. WEST INDIES

Monday, in Perth, Australia

Australia 1st innings: 343

West Indies 1st innings: 354

Australia 2nd innings: 19

West Indies 2nd innings: 57-0

West Indies won by 16 wickets

NEWCASTLE 4, LANCASHIRE 2

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SCOREBOARD

FOOTBALL

Pro Bowl

AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

First Quarter
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Second Quarter
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Third Quarter
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Fourth Quarter
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Final Score
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Notes
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Player Stats
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Team Stats
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Summary
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Recap
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Preview
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Analysis
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Outlook
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Conclusion
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Final
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game End
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Over
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Complete
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Finished
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Closed
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Locked
 AFC — 3 7 13 3-26
 NFC — 7 13 20 8-32

Game Sealed
 AFC — 3 7 13 3-26
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 Orlando 24 20 .544 8
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CENTRAL DIVISION
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ART BUCHWALD

Excuses, Excuses

WASHINGTON — Everyone in Washington admits that there is a lot of financial monkey business going on, but they all have a reason to explain it.

Here are some of the excuses you hear bandied about.

The president of the United States: "Mistakes were made in Democratic fund-raising, but the administration policy was never for sale."

Newt Gingrich: "My lawyers did it."



Buchwald

Some others:

"We didn't buy influence. We bought a nourishing breakfast at the White House."

"I don't know one congressman who would change his vote because a lobbyist took him to Tahiti."

"I never tell the president what he should do. He always asks me what I think he should do."

A Church for the Czar In Yekaterinburg

YEKATERINBURG, Russia — Plans to honor Russia's last czar and his family at the site where they were killed have gotten a boost with an order by the regional governor to build a church there.

The Interfax news agency reported Monday that the decree approves a church at the site of the Ipatiev house in Yekaterinburg, where Nicholas II and his family were shot in July 1918. The house was demolished in 1977.

"You can't have honest government if nobody buys a table to your political dinner."

"The only reason bankers held their meeting at the White House was that all the dining tables at the Hilton were booked."

"The defense industry only gives money to a political party because we're answering a cry for help."

"The mistake most people make is that they think large donors to politics are getting something back. Nothing could be further from the truth. All we're doing is thinning our cash flow."

"Political money is like manure — you have to spread it around Washington to make sure that the cherry blossoms bloom."

"I'd rather take a senator to Paris than wax his car for him."

"As a political fund-raiser I resent the media because they never talk about the laundered money we refused from influence peddlers. They only mention the money we did accept."

"You have to be careful when you take money from Asian lobbyists because there's a good chance you'll have to return it."

"I never met a special prosecutor I didn't like."

"People shouldn't get mad because we have access to the Oval Office and they only have access to their post office."

"Al Gore is the only person the Buddhists trust."

"We didn't know what was going on."

"We didn't know what was going on."

Blah, blah, blah.

This Birthday Party Is Not Entirely Festive

By Alan Riding
New York Times Service

PARIS — The Georges Pompidou Center is putting on a cheerful face for its 20th birthday. A new replica of Constantin Brancusi's studio has opened at the northern edge of the center's sloping plaza. Eight "metamechanical" sculptures by Jean Tinguely welcome visitors into the building's forum. And on its third and fourth floors, a show called "Made in France" displays hundreds of works of art created in France between 1947 and 1997.

Yet for all that, the festive mood is somewhat strained. At the age of 20, the vast arts complex is already in need of major surgery. And from October through Dec. 31, 1999, all but the Brancusi studio, a tiny temporary exhibition space and a terrace overlooking the roofs of Paris will be closed. Already, the building's unusual exterior, with its labyrinth of pipes, tubes and ducts, has been repaired and repainted. Now its insides are to be renovated and reorganized.

The official justification for having to spend \$120 million on redoing a relatively modern construction is that the Pompidou Center is a victim of its own success: designed to receive 5,000 people a day, it averages 25,000. Yet, while 150 million visitors in 20 years translate into much wear-and-tear, there is also less-trumpeted recognition that maintenance of the building has been badly neglected.

"For 20 years, almost nothing was done, not even a lick of paint," said Renzo Piano, the Italian architect who designed the center with Richard Rogers, a Briton, and who will now work with the French Jean-François Bodin on its renovation.

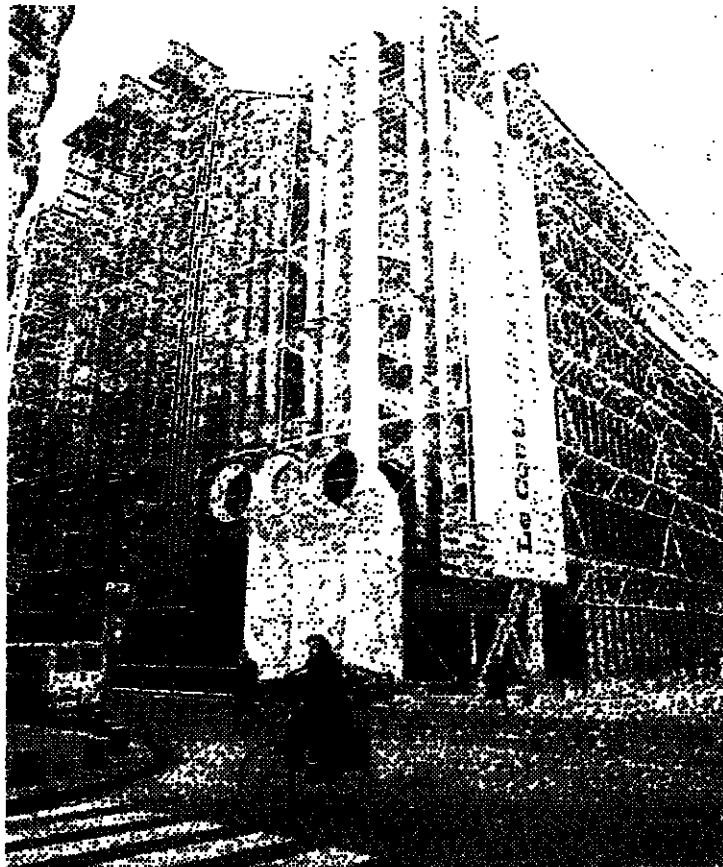
"What we're to do is absolutely necessary," he added that the work would take twice as long if it were done step by step while keeping parts of the center open.

During the hiatus, the center plans to keep busy, with its enormous collection of 20th-century art more present than ever in exhibitions in France and around the world. Among these, a Fernand Léger retrospective, which will be on show at the center from May through September before it goes to the Queen Sofia Art Center in Madrid, will be at the Museum of Modern Art in New York from Feb. 11 to May 27 next year. Further, much of the best of the Pompidou Center's collection will be on view in New York at the Solomon R. Guggenheim Museum's Fifth Avenue and SoHo homes from September 1998 to January 1999.

The center's achievements so far have been plentiful. Its location brought prosperity and even gentrified the run-down neighborhoods of Les Halles and Le Marais. The polemics that surrounded the building's design have also been long forgotten. Today it stands proudly as the forerunner of the daring Great Works — among them I.M. Pei's glass pyramid at the Louvre, the Bastille Opera and the new National Library of France — which changed the face of Paris in the 1980s and '90s.

When President Pompidou decided to build the center in 1969 (he died in 1974 before it was completed), he was also eager to open up French minds to modern culture, and this, too, to some extent, has been achieved. "He was very aware that the French tended to look back," said Jean-Jacques Aillagon, the center's president. "But the center has also opened up the French to international culture. In the 1970s, they were still very inward-looking."

In some French art circles, the view is that the center has perhaps been too open to the world. Certainly under its first director, the Swedish art historian Pontus Hultén, it quickly made its mark with such shows as "Paris-New York," "Paris-Berlin" and "Paris-Moscow." But even today the complaint can be heard that in assigning prestigious one-man shows, the center favors foreign



Most of the Pompidou Center will close in October.

painters over French artists.

The most original idea behind the Pompidou Center, however, was that it should be both a multi- and an interdisciplinary institution, embracing not only painting, sculpture, photography and architecture, but also avant-garde dance, cinema, music and theater.

"The most difficult thing has been to create interdisciplinary synergy," Aillagon said in an interview in his office overlooking the large sculpture fountain by Tinguely and Niki de Saint Phalle at the southern end of the center. "Each department and area

tends to look toward its own interest and its own public. I consider my main job here to be that of guarantor of interdisciplinary programs. For that reason, when we reopen, we will have a new center for cultural creation."

In practice, many Parisians still consider the center to be principally a museum, although they are drawn to it less by its permanent collection than by its frequent mega-shows, like "Dali" (840,000 visitors in 1979), "Matisse" (735,000 visitors in 1993) and "Bacon" (400,000 visitors last year). But even these figures,

provided by the Pompidou Center, distort the fact that only 34 percent of visitors actually come to see works of art.

The largest single group of visitors — 30 percent — head straight to the center's library. And 27 percent attend other activities organized by the center, while 19 percent enter the building simply to see the view of Paris from the fifth-floor terrace.

What is apparent from the ever-present crowds, though, is that people feel drawn to the center, confident of finding something unexpected of interest.

One novelty last weekend is the latest version of Brancusi's studio. One year before his death in 1957, the Romanian-born sculptor donated the contents of his studio on Impasse Ronsin to the French state with the single condition that the studio be rebuilt as it was on the day of his death. A first replica at the Palais de Tokyo was replaced by one built outside the Pompidou Center. Then, after flooding forced removal of the works in 1990, Pi-ano was asked to give them a new home on the same spot.

Packed with 137 stone, wood and bronze sculptures and 87 carefully shaped bases, the "studio" now stands inside its own building, its four connecting rooms and priceless collection visible through large plate glass windows. There are enough works of art to fill a large exhibition space, but photographs taken by Brancusi confirmed his preference to live surrounded by his works, and that is how they are displayed here.

The special anniversary show, "Made in France," which runs through Sept. 29, offers its own surprises, not only because it reminds visitors that the likes of Braque, Matisse, Duchamp and Ernst were still alive and working in the early postwar years, but also because, by avoiding a chronological or thematic approach, it has found an interesting way of confronting lively and colorful works by a host of renowned artists who have resided in France.

HALL OF FAME

Celebrating Thurber, Briefly and Forever

By Mel Gussow
New York Times Service

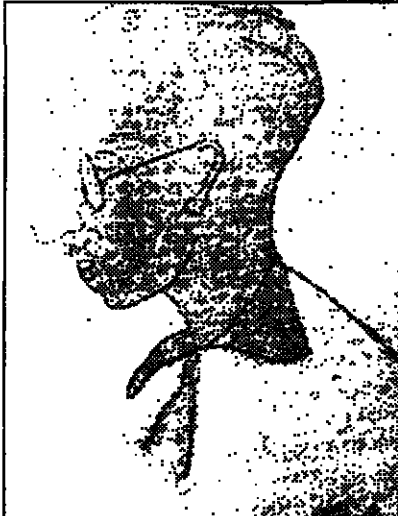
NEW YORK — James Thurber was, by his own description, a "short-piece writer": 10 pages or less, and on to the next work. Once he collaborated (with Elliott Nugent) on a full-length play, "The Male Animal," but he was not about to write a Jamesian novel or a tell-all-through-the-night autobiography. His memoir, "My Life and Hard Times," is briefer than a biography.

Within his chosen parameters, however, he was an acute observer of human nature as both a writer and a cartoonist. As Joseph Mitchell, a fellow New Yorker writer, said, he was "the only true genius." The New Yorker produced Mitchell rated him ahead of E.B. White, S.J. Perelman, Dorothy Parker and, of course, himself. Thurber's response to such encomiums: "Anybody with the slightest critical ability knows that a genius would not have to slave over his prose so long, or over his drawings so little."

Because he is categorized as a humorist, it may come as a surprise to see him eternally enshrined in the Library of America series with a 1,004-page volume. In the Library of America, he is alongside Melville, Hawthorne, Twain and James. With the exception of William Bartram, the naturalist whose Library of America collection includes drawings and text, Thurber is the first author-artist in the series.

"James Thurber: Writings and Drawings" is a wide-ranging anthology of vintage short stories, family reminiscences and "Fables for Our Times." The children's story "The 13 Clocks" is, at 32 pages, the longest text. There are seven previously uncollected pieces, including the first story he published in The New Yorker, and a rich sampling of drawings.

From rereading Thurber, it is clear that his great theme was not so much the war between men and women as the sexual stalemate. The basic question: What do you do when the bloom is off the romance? In his stories, the marriage or the relationship usually goes on far



James Thurber, self-portrait.

past the point of amity. One thrusts, the other parries. "Touché!" as the head is sliced off.

Thurber's men are dreamers, not just him eternally drifting off into imaginary escapades and walking down the street murmuring "puppy biscuit," but potential revengers devising plots. Man is overseen as well as overheard, with woman as his constant keeper, representing fact and fiction.

There is Mr. Bidwell, who has a habit of holding his breath, which might be characterized as spousal annoyance, and there is Mr. Preble, who desperately wants to do away with his wife, if only he can get her to go down to the cellar. He says, plaintively: "We never go down in the cellar anymore. The way we used to." And his wife, as usual, offers a correction. "We never did go down in the cellar that I remember."

The other Thurber, the accidental artist whose sketches were saved from the wastebasket by White, was undervalued even by Thurber himself. "If I couldn't write, I couldn't live," he said, "but drawing to me was little more than tossing cards in a hat."

In a complete pictorial realization of

his fictional character, Thurber drew a frightened, rabbit-like creature: perplexed, startled and slightly pinnipedian. In the famous cartoon of the seal in the bedroom (Wife: "All right, have it your way — you heard a seal bark!"), there is a strong family resemblance between the man of the house and the seal on the headboard.

Equally paradigmatic is the man telling his guest, "That's my first wife up there, and this is the present Mrs. Harris," with the past Mrs. Harris crouching atop a bookcase looking as if she is about to spring back into wedlock. At the top of the food chain are Thurber's dogs, dewlapped and downcast, who always seem to be eyeing their masters — or even a butterfly — with suspicion.

The characters may seem forlorn, but the author increasingly has the earmarks of the classic. A periodic newsletter is published by his boyhood home in Columbus, Ohio, which is now a national historical site. In 1995, Harrison Kinney's exhaustive biography, "James Thurber: His Life and Hard Times," was published, a book that at 1,238 pages is decidedly un-Thurberian in length.

Thirty-six years after his death, many of his books are still in print. Several posthumous collections have been published, and Adam van Doren, an artist and documentary filmmaker, is working on a film about his life.

Though his blindness and other traumas deepened his intractability, Thurber apparently retained his comic equisense. As he once said, "The wit makes fun of other persons; the satirist makes fun of the world; the humorist makes fun of himself." Call him a wit, satirist and humorist, and more.

Fables, parables and parodies tumbled from his pen, along with poignant scenes from life.

T.S. Eliot said of Thurber's work, "There is a criticism of life at the bottom of it." He suggested that the writings and the drawings might survive "the immediate environment and time out of which they spring." As Eliot suspected, Thurber was a far more serious and durable writer than his early readers might have thought.

THE pop singer Boy George said he was beaten up by bouncers as he and a friend tried to enter the Ministry of Sound, the London nightclub where he works as a disk jockey. "They grabbed me by the throat and dragged me out into the street," he told Press Association, the British news agency. "They kicked me and punched me and broke my fingernails. They actually beat me up under the poster advertising an album I have done for them." Scotland Yard is investigating. Mark Rodol, the club's managing director, said Boy George was apparently in a party that refused to go through the normal entry procedure.

The fashion designer Thierry Mugler has hired Ivanka Trump, the 15-year-old daughter of Donald and Ivana, to embody the image of a new range of clothes for young people. Ivanka Trump stars in an advertising campaign for Mugler TradeMark recently shot in New York, to appear in magazines in March.

Mark Phillips, the former husband of Princess Anne, has married the U.S. Olympic equestrian Sandy Pflueger at a ceremony at her father's beachfront home in Honolulu, according to London news reports. About 100 guests attended the black-tie reception. The Times and The Daily Mail reported. Most were riding friends from Britain and Australia, as well as members of the U.S. equestrian team, which Phillips, a horse trainer, manages. The new Mrs. Phillips, who obtained British citizenship last year, has been based in Britain for 22 years. She was also previously married. Phillips, a former British Army officer, and Anne were divorced in 1992 after 18 years of marriage.

A British artist was so desperate to be exhibited in a major venue that he slipped one of his sculptures into the Tate Gallery in London, where it remained on display for an hour before the staff noticed. Calvin Russell planned the deception carefully. He requested permission from the gallery to paint one of the exhibits and brought in an easel for that purpose the week before. The



Boy George: What happened?

easel was actually a folding display stand. Then, he smuggled his 25-centimeter (10-inch) bronze sculpture entitled "The Iron Man" into the gallery under his jacket. There, he was met by an accomplice who provided him with an acrylic cover for the piece. Russell then sat back to admire the effect of his art work on passing visitors and to take photographs. After an hour guards realized they had been fooled and turned both artist and artwork out onto the street, but Russell had his wish. He said he was "very pleased with the public response to my piece."

Tickets for piano recitals by David Helfgott, whose troubled life is the basis of the film "Shine," are suddenly selling like tickets to a Rolling Stones show. The Australian pianist's performance next month in San Francisco sold out in hours. Inspired by the movie, fans were willing to pay up to \$65 for a chance to see Helfgott.

When "Timecop" meets real cop:

Jean-Claude Van Damme was let off with a warning after he was pulled over in Ponce Inlet, Florida, for speeding, about 8 miles per hour over the 35-mph limit. "He was very nice and very polite," said Sergeant Larry Roberts, the forgiving officer. Roberts said he instantly recognized the action-film actor. But he insists he wasn't star-struck; local police typically don't throw the book at drivers just a bit over the limit. "Basically, I told him it would cost him an autographed picture," he said.

The backstage drama at "Victor/Victoria" on Broadway is beginning to steal the show. Liza Minnelli wants to return to the lead role when Julie Andrews bows out this summer, but only if co-star Tony Roberts is sent packing, said Barry Cross, Minnelli's manager. Minnelli had filled in for the vacationing Andrews, who returned this week to a show New York tabloids say is bloodied by a backstage battle. On-stage misadventures by Minnelli in her first Broadway appearance in 12 years reportedly led to a backstage tantrum by Roberts and a subsequent "sickout" by the actor until Andrews' return. Roberts told the New York Post that he never wanted the reason for his absence to leak out to the public, and he said Minnelli had helped him become a better actor. "I've never had a hard word with her, believe me," he said. "And I love her!" Roberts returned to the show last Tuesday, but two days later, it was Minnelli who was out sick with a throat infection. She missed five shows, including her final performance on Sunday, and hundreds of fans demanded their money back because of the no-shows.

Kevin Costner is quietly acknowledging that he became a fourth-time father in November. The mother of baby Liam is Bridget Rooney, the owner of a horse ranch near Aspen, Colorado. People magazine reports. The couple met in the ski resort in late 1995 and, although they are no longer an item, a source told People that Costner would do "the stand-up thing" by taking full financial responsibility for the child. Costner is the divorced dad of Annie, Lily and Joe.



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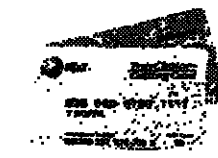
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